Master Advertising in the Cookieless World

Learn all about the identity solutions that are enabling new paths to advertising addressability and how high-quality audience data can support marketers as they move into a cookieless future.

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Introduction

Third-party cookie deprecation in Chrome is underway, and advertisers and publishers alike are looking to shore up their data-driven marketing strategies in a sustainable and effective way. One thing is certain: The end of third-party cookies does not mean the end of data-driven advertising.

Programmatic digital display ad spending is poised to grow more than 15 percent worldwide in 2024. In particular, brands in the travel, retail, healthcare and pharma, automotive, and entertainment industries[1] will outpace the national digital ad spending growth rate. These brands expect their money to be put to good use in the context of larger omnichannel, cross-screen campaigns, regardless of the deprecation of cookies.

So, what solutions hold the greatest promise in that regard? And how can you tell if your business is equipped for this massive shift within the digital advertising and marketing landscape? In this e-book, we're going to take a look at what brands, agencies, and publishers need to consider if they want to ensure they are prepared for advertising in a cookieless future.

15%
worldwide increase in programmatic digital display ad spending in 2024

[1] Emarketer

As we prepare for a post-cookie marketing landscape, there's something we need to get straight: Third-party cookies are not the same as third-party data. Let's examine why.
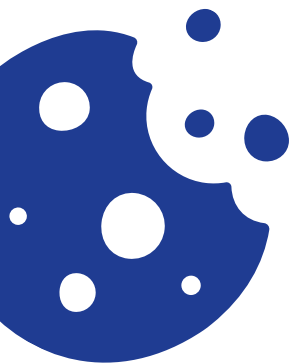
Third-Party Cookies and Third-Party Data Are Not the Same

Third-party data and third-party cookies might be related concepts in the context of data and online marketing, but they refer to wholly different aspects of digital marketing and analytics—and it's imperative that marketers understand the difference. Even as third-party cookies vanish from the digital landscape in 2024, particularly in light of Google's deprecation of third-party cookies in Chrome, third-party data remains an essential part of successful marketing and advertising.

So, what's the difference? And why is that difference so important?

Third-Party Data vs. Third-Party Cookies

While there is a connection between third-party data and third-party cookies, they represent very different facets of the digital advertising and analytics ecosystem.

Third-party data refers to information collected by companies or organizations other than the one with which a user is directly interacting. This data is usually gathered by various external sources, including data partners and brokers, analytics platforms, or other third-party services. Marketers rely on third-party data to enhance their understanding of audiences, target specific demographics, and personalize advertising campaigns beyond the insights they are able to glean from their own (often limited) first-party data.

Third-party cookies, while relevant to digital marketing, are quite different. Third-party cookies are small pieces of data stored on a user's browser by a website other than the one the user is currently visiting. These cookies are commonly used for tracking user behavior across different websites, helping advertisers and marketers collect data on user preferences and activities. Advertisers have historically used third-party cookies to deliver targeted ads based on a user's browsing history and behavior across multiple sites. However, the utility of third-party cookies has declined in recent years. Most web browsers have ceased to support them, with Google Chrome's deprecation being the final, most notable nail in the cookie's coffin. Likewise, the utility of third-party cookies does not extend across increasingly important marketing channels, including mobile and connected TV.

While third-party cookies have been widely used for tracking user behavior and delivering targeted ads, privacy considerations have made them all but irrelevant for modern marketing purposes, leading to a shift in how online tracking is approached. As a result, there is an increasing focus on alternatives and more privacy-friendly methods for collecting and using third-party data.

The New Era of Third-Party Data

Despite the confusion in the market as it relates to the difference between third-party data and cookies, the simple fact is that the former is becoming more important now that the latter is becoming irrelevant.

The demise of third-party cookies has ushered in a new era where high-quality third-party data has become more crucial than ever. With privacy concerns taking center stage and major web browsers phasing out cookie tracking, marketers face a significant challenge in tracking and targeting users across the online ecosystem. In this cookieless environment, relying on first-party data alone may limit the scope of audience insights and hinder personalized marketing efforts. High-quality third-party data, sourced from reputable providers, offers a lifeline for marketers by providing a broader and more comprehensive view of consumer behavior. These data sets can fill the gaps left by the absence of cookies, enabling businesses to better understand their target audience, optimize campaigns, and deliver more personalized and relevant content.

Moreover, the increasing complexity of consumer journeys and the proliferation of digital touchpoints make it imperative for marketers to leverage third-party data for effective cross-channel targeting. In a world where users seamlessly transition between devices and platforms, the holistic view offered by high-quality third-party data allows marketers to create cohesive and consistent messaging strategies. This ensures that marketing efforts remain relevant and impactful, even in the absence of traditional tracking mechanisms. By embracing reliable third-party data, marketers not only adapt to the challenges posed by the cookieless landscape but also gain a competitive edge in crafting precise, data-driven campaigns that resonate with their target audience across various online channels.

People in the digital marketing industry have spent a lot of time talking about the "loss" of third-party cookies, suggesting that the end result of Google's deprecation of these identifiers in Chrome will ultimately represent a setback for digital marketing. But what if this "loss" is actually a gain for our industry?
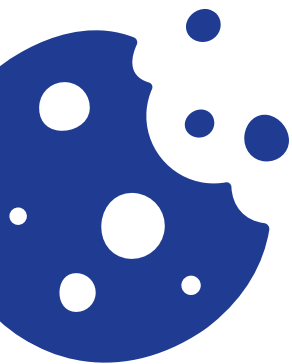
Why the Loss of Third-Party Cookies is Nothing to Fear

Third-party cookie deprecation is having and will continue to have significant short-term repercussions for publishers, advertisers and ad tech providers alike. But the third-party cookie has also been widely acknowledged in the same circles as being highly flawed and incomplete as a method of targeting consumers.

In solving for the "loss" of third-party cookies, we have an opportunity to build a more complete and more sustainable approach to data-driven marketing, both in terms of retention and acquisition. Here at Eyeota, we're investing in transparent and future-proof means of helping marketers enrich their audience understandings and activate those insights across channels.

Here are three areas where we think a post-cookie world can and should serve marketers better:

1. Identity in Other Browsers

Lest we forget, the deprecation of third-party cookies by Google is specific to Chrome. And while Chrome represents a huge venue for online user activity, it's not the only browser in the game. The utility of third-party cookies was lost in environments like Firefox and Safari long ago. At Eyeota, we've been solving for the challenges of targeting in those environments for years by investing in ID-agnostic tools that can unite a view of consumers across browsers.

2. Omnichannel Audience Targeting

If third-party cookies in Chrome are only a piece of the online browser targeting landscape, they're an even smaller piece of the true omnichannel media landscape, which extends across web, mobile, CTV, offline media and more. At Eyeota, we're investing in privacy-compliant, multi-ID audience solutions that have the ability to extend across all channels.

3. Serving the Broader Enterprise:

Finally, let's think beyond marketing for a moment. When we talk about data and consumer identity, we're talking about value that extends well beyond a company's marketing function. At Eyeota, we're investing in sophisticated identity solutions with applications beyond the ad tech stack. We believe compliant, quality third-party data should be offered in a way that its value can be extended to the broader enterprise, solving for identity and experiences in customer service, support and beyond.

Third-party cookie deprecation, approached the right way, represents an opportunity rather than just a challenge. At Eyeota, we believe we can build a more sustainable post-cookie future for data-driven marketing in which quality third-party data can, and will, do so much more.

OK, so which approaches and technologies hold the greatest promise for a cookieless world? There are a number being explored, but some are proving more important than others.
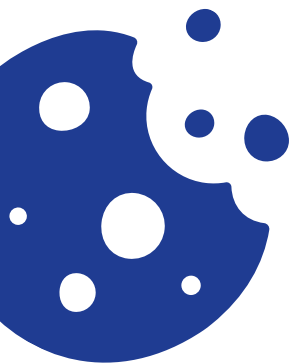
Which Solutions Are Marketers Exploring in a Cookieless World?

Advertisers and publishers alike are looking to shore up their data-driven marketing strategies in a sustainable and effective way. In doing so, they're exploring a number of different options:

- **Advertiser first-party data activation:** In a world where third-party data faces increasing restrictions due to privacy laws, first-party data must be leveraged to the greatest extent possible. However, for most brands and publishers, first-party data simply isn't enough. That's why high-quality, compliant sources of third-party data are more essential than ever to making the most of first-party assets.

- **Publisher first-party data activation:** No one knows a publisher's audience better than the publisher itself. However, in addition to understanding what a given reader or viewer does on a given content platform, it's vital for publishers to be able to understand more about who these people are and what they do outside of their properties. Quality third-party data can bring additional dimensions to these visitor profiles.

- **Social media advertising and targeting:** Social media continues to play a vital role in advertising across the full funnel, but the landscape has never been as noisy as it is today. True success in social now requires not just investments in social ads, but also in the data needed to ensure they're reaching the right individuals.

- **Contextual advertising:** Contextual advertising helps ensure advertisers are reaching audiences in environments conducive to their brand messaging and product offers. As contextual targeting becomes more sophisticated for a post-cookie world, it's vital for marketers to understand which environments attract the audiences of greatest value to them.

- **Alternate identifiers:** There's no single identifier that will emerge to replace third-party cookies within the digital ecosystem. The best way for advertisers and publishers to gain deeper audience insights is to embrace an ID-agnostic approach.

Today's advertisers and publishers need to be adjusting their strategies and tactics for a post-cookie world, and the above areas all have a role to play in the new reality. What's most important, regardless of tactic or solution, is that advertising initiatives and the linkages required by the above approaches continue to be fueled by the most complete and highest quality data and insights possible. Established third-party data resources will continue to play an essential role in this regard.

In the absence of cookies, there are multiple ways to identify users in privacy-compliant ways. With an ID-agnostic approach, these sources unite to become sets of audience data that can enable omnichannel targeting.
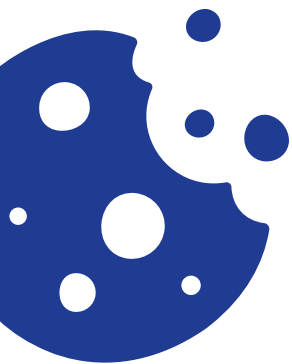
Thriving in a Cookieless World with an ID-Agnostic Approach

Third-party cookies are not the only method for targeting digital consumers. There are multiple other IDs at play, from hashed emails and IP addresses to universal IDs, mobile IDs, and others. As noted in the previous section, there's no single identifier that will emerge to replace third-party cookies within the digital ecosystem. The best way for advertisers and publishers to gain deeper audience insights is to embrace an ID-agnostic approach, along with technology and data partners that unite (rather than limit) the available identifiers within the ecosystem.

Universal IDs represent a transformative tool in the marketer's arsenal, providing a means to overcome the challenges posed by evolving privacy regulations and the diminishing effectiveness of traditional tracking methods. By embracing universal IDs—along with other identifiers like mobile IDs, IP address IDs, hashed emails, contextual signals, and more—and working with partners that approach these IDs in an agnostic and interoperable way, businesses can unlock a new era of precision targeting, seamless personalization, and enhanced customer experiences in the realm of digital marketing and advertising.

The Cookieless Forecast for 2024 (and Beyond)

For years, our industry has been talking about finding trustworthy, reliable, and validated solutions for a cookieless world. Tremendous progress has been made, and the network of solutions that is now available will be capable of helping brands and agencies continue to target and measure their campaigns across channels. However, that doesn't mean marketers have had the time and space to test, learn, and implement at the level needed to seamlessly bridge the gap.

Google's 2025 deprecation of third-party cookies will hit some organizations harder than others. On the brand and agency side, we'll see a reshuffling in market leadership. Those that have spent the past couple of years collecting and cleansing first-party data from all touchpoints, investing in cloud-based infrastructure for effective data management, and embracing cookieless strategies such as contextual targeting and universal IDs will blow past their competitors while they race to catch up. On the ad tech and data side, we'll see a similar reshuffling, not unlike what we witnessed in a post-GDPR reality in Europe. Those companies that have prepared will be able to cope with transitional hiccups, while others flounder and, in some cases, remove themselves from the playing field altogether.

That said, marketers feeling unprepared for the cookieless future shouldn't despair. Now is a time for action. As the deprecation of third-party cookies in Chrome proceeds, brands and agencies must proactively adapt to navigate the evolving digital landscape. First and foremost, a crucial step is to prioritize the cultivation of first-party data. Brands should incentivize users to willingly share information by providing personalized and valuable experiences. This may involve optimizing website interactions, leveraging engaging content, and implementing transparent data collection practices. By fostering direct relationships with consumers and obtaining explicit consent, brands can build a robust foundation of first-party data that will be instrumental in maintaining targeted advertising capabilities post-cookie deprecation.

Collaboration between brands and agencies, with the help of their data partners, becomes pivotal in this transitional phase. Agencies should work closely with their brand partners to explore and implement alternative tracking and targeting methods. Exploring advanced technologies like AI and machine learning can be instrumental in developing effective audience segmentation strategies without relying on third-party cookies. Additionally, investment in contextual advertising, which focuses on the content and context of a webpage rather than individual user behavior, can offer a privacy-compliant alternative for targeting relevant audiences. Establishing a clear and open line of communication between brands and agencies is key to navigating these changes successfully, fostering a collaborative approach to address emerging challenges.

Lastly, staying informed and adaptable is paramount. The digital landscape is dynamic, and solutions that work today may need adjustments tomorrow. Brands and agencies should stay abreast of industry developments, regulatory changes, and emerging technologies that offer privacy-conscious alternatives. This involves participating in industry discussions, attending conferences, and actively engaging with evolving best practices. A commitment to continuous learning and agility will position brands and agencies to not only weather the transition away from third-party cookies but also to thrive in the evolving digital marketing ecosystem.

It's been a challenging few years for the data-driven marketing space, and the coming years will still offer their share of curveballs. But the collective work that's gone into cookieless solutions will also begin to coalesce in a way that will pave a smoother road for brands, agencies, and partners alike. As an industry, we must continue to press forward—together.

So, what does it look like when a robust cookieless targeting strategy comes together? IBM recently answered this question.

Cookieless
Success Stories

IBM was on a quest drive improved video campaign performance.[2] Working with its agency, Eightbar, the brand used contextual-based B2B Predictive Audiences to achieve the most efficient cost-per-engaged-visit (CPEV).

As a part of this effort, Eightbar selected three types of targeting segments from different third-party data providers to test performance against its benchmark:

B2B Predictive Audiences, powered by Proximic by Comscore and Eyeota, which enable media buyers to reach their desired audiences through AI-powered contextual signals

46%
↓ **Lower**

CPEV
compared to competitive behavioral audience

23%
↓ **Lower**

CPEV
compared to competitive contextual segment

Eightbar ran a competitive evaluation testing the three targeting tactics, holding all other parameters constant, and measured video campaign performance of each targeting tactic-based on cost-per-engaged-visit. The B2B Predictive Audiences cost-per-engaged-visit was significantly below the client benchmark, 46 percent lower compared to competitive behavioral audiences, and 23 percent lower compared to competitive contextual segments.

[2] IBM Success Story

Read More Case Studies

Closing

Contrary to industry doomsday prophecies, the demise of third-party cookies will not lead to the demise of data-driven advertising. Quite the opposite, in fact. Brands that are embracing the move to a cookieless ecosystem are finding approaches and tools that are capable of driving campaign results well beyond what they'd come to expect in a cookie-centric digital ecosystem.

Today's advertisers and publishers must continue to adapt their strategies and tactics for a post-cookie world. While a plethora of solutions are emerging to navigate this new reality, the most important component for success continues to be access to comprehensive and high-quality third-party data and insights. Brands and agencies that embrace the cookieless future and drive their strategies with strong data and partnerships will emerge as the new leaders in the modern digital marketing landscape.

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