

Wtf

is a world without
(third-party) cookies?

Silverbullet

DIGIDAY



Table Of Contents

02

Introduction

10

A view from The British
Heart Foundation

03

WTF is a world without
(third-party) cookies

11

Top tips to survive
— and thrive — in a
cookieless world

07

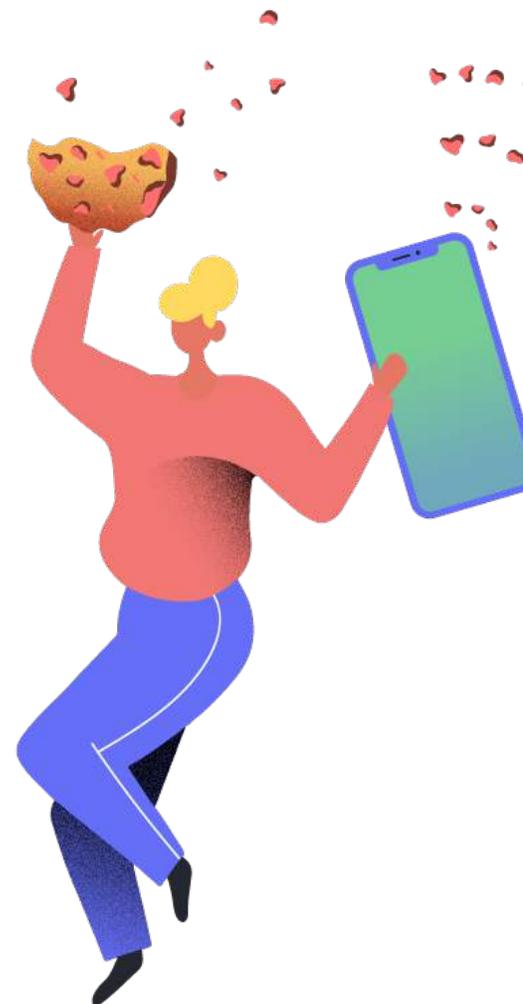
The future of
the DMP

12

Closing thoughts

08

Content is king, but
context is emperor



Introduction

Data is complex and ever-changing. Businesses are currently navigating their way through a data minefield, with regulations such as GDPR in the UK and CCPA in the US, alongside anti-tracking policies prompted by Google, Apple and Firefox that aim to block third-party cookies. In contrast, businesses need to harness the huge volumes of data created by an increasing number of consumer touchpoints in order to provide the ‘value exchange’ demanded by their audiences.

Yet, putting this into practice and sourcing the skills in-house to activate these insights in real-time is no easy feat.

But it’s not all doom and gloom. Data is a catalyst for change, empowering new players and transforming companies across industries, while paving the way for new and smarter ways to do business.

Despite privacy and anti-tracking headlines creating negativity around almost all things data, the information consumers do grant with consent remains a vital part of delivering personalized and relevant customer experiences.

The problem with multiple tech stacks

In the past, brands and their agencies have reacted by making multiple tech investments to combat these issues. But [research](#), surveying 100 UK CMOs, shows that despite high adoption of smart technologies by UK businesses — including examples such as data management platforms (DMPs) and customer data platforms (CDPs) — 67 percent of CMOs admit they have experienced “disasters” when it comes to the management of their data assets. In addition, the data shows that 76 percent of UK CMOs could have missed out on opportunities because data has not been managed effectively in-house.

Further research, gathered in January 2020, discovered that [CMOs estimate poor data handling risks cost their businesses up to £5 million every year.](#)

The question is, how can brands and content owners survive in a world without cookies? In this WTF guide, we’ll look at the future of a world without third-party cookies, addressing a range of approaches, from data management platforms to measuring return on investment.



WTF is a world without (third-party) cookies?

The crumbling of third-party cookies has hit the headlines this year, as the industry broadcasts the latest failure in adtech's artery system. It's not the first time cookies, an important component in online advertising, have come under scrutiny. The public became aware early on of the potential threat to privacy, in particular, the storing of consumer data without consent, when the Financial Times wrote a piece about the existence and purpose of cookies in 1996.

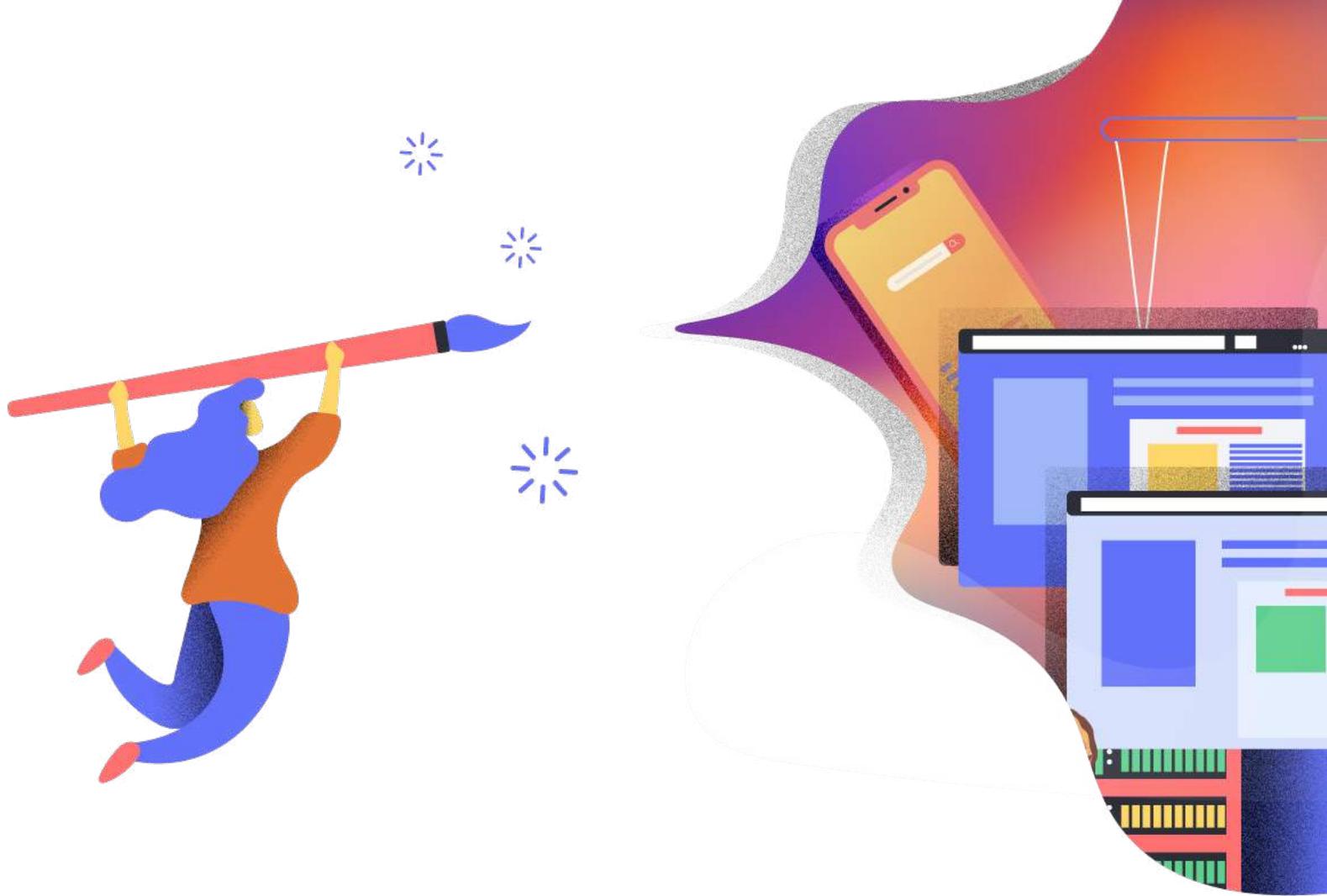
Fast-forward to today and you'll see why the online ad industry is at a pivotal moment. In 2020, data privacy is a persistent topic, and top of mind in an era when examples such as the Facebook and Cambridge Analytica data scandal are turned into a Netflix documentary. As such, regulators and browsers have taken matters into their own hands.

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The status quo of how online advertising is done is not acceptable. No one likes the current system: not internet users, not publishers, not advertisers.

— **Peter Dolanjski**
director of privacy and security products at Mozilla Firefox





In June 2019, the Information Commissioner's Office (ICO) released a report on adtech and real time bidding, warning the sector to "clean up its act" and to comply with GDPR. The ICO had to [repeat the warning six months later](#). Privacy features from Apple and Mozilla added further fuel to the fire, with the introduction of Safari's Intelligent Tracking Prevention (ITP) and Firefox's Enhanced Tracking Prevention. Add this to the latest announcement that Google's Chrome browser will phase out the use of third-party cookies by 2022, and you have a major shift in the way many businesses operate today — and in their ability to do so tomorrow.

But this change doesn't have to be a negative, according to Lynn Wilson, insights director at digital design agency Equator. She says: "Whilst undoubtedly creating a stir and much uncertainty,

Google's inevitable timeline to render third-party cookies obsolete also brings with it an air of excitement at the prospect of what innovative changes could come about within the industry."

Wilson says the decision and the two-year deadline is "a calculated move from Google — positioned as giving advertisers and publishers the time and space to find optimum alternatives to third-party cookies." But, she adds: "At the same time, a large proportion of Google's revenue from its advertising ecosystem will remain intact, braced by its many first-party cookie services (e.g. YouTube, Gmail). Such first-party data pools (along with the likes of Facebook) will, as a result, become much more powerful and much more valuable — holding the keys to a huge volume of essential user data — as third-party sources of ad targeting fade away."

To capitalize on this two-year window, Wilson advises brands to examine the depth of their first-party data, beefing up their analytics infrastructure where needed and interrogating this to establish core audience insights. She also believes brands need to work with publishers to extract their audience learnings and blend this with their own findings to create new behavior-based segments for targeting.

For publishers, Wilson says they "will continue to lean heavily into innovation to create viable alternatives to the approach facilitated by third-party cookies, having already felt the pinch of other browsers' more oppressive data privacy changes."

Bridging the data gap

The laser focus on privacy and compliance means that data, and its correct use, is going to become hugely important in the coming years. To get ahead, brands and publishers should be building a future-proofed data strategy to continue to deliver the personalized experiences users have come to expect.

Toward that end, there are businesses looking to bridge the data gap and create first-party solutions.

ID5, an independent identity solution for digital advertising, launched its 'Universal ID' — neutral IDs that can be shared with digital advertising stakeholders to create a common framework — in June 2019. In a blog post, ID5's CEO and co-founder, Mathieu Roche, says the solution works because, "as a first-party ID, it is not blocked by browsers today; and because it is strictly based on user consent and publisher preferences, it has no reason to be blocked by browsers in the future."

Havas Media Group is one agency looking to 'people-based' or 'ID-based' marketing in the wake of diminishing

third-party cookies. Head of products and solutions, Lars Glenne, explains: "Instead of relying on cookie data, we are now leveraging unique identifier data (e.g. name, address, e-mail, phone number and device ID) from users (via consent) to drive audience understanding, cross-device targeting and measurement."

Ben Gott, svp, analytics and strategy at Merkle EMEA, agrees with this person-centred approach. He says: "With the next decade set to predominantly centre around identity, brands would be well-advised to invest more in identity management tools. For example, private identity graphs, that will help them to reduce the dependence on the walled gardens of Facebook and Google."

Done properly, Gott believes that "private identity graphs have the power to help all areas of a business gain strong audience insights. From media and marketing to commerce and service, each department can build a stronger people-based marketing strategy based on more robust segmentation and

modeling, advertising, personalization and analytics."

However, Glenne warns that success in an ID-centered world lies in a number of factors. He says: "Collecting user ID data can only be done via consent and brands should own their own data and tech, not only because it is their data in the first place, but more so for the data to flow seamlessly across the organization's various divisions."

Data can get blocked within companies due to incompatible technology within tech stacks and silos that exist within businesses, creating data losses or unused data. Glenne adds: "Blockages within organizations are driven by fragmented tech stacks, owned both internally but also by external agencies. This sometimes creates distrust and lack of understanding; as a result it creates little or no leverage of potential valuable data sources."



The impact on measurement

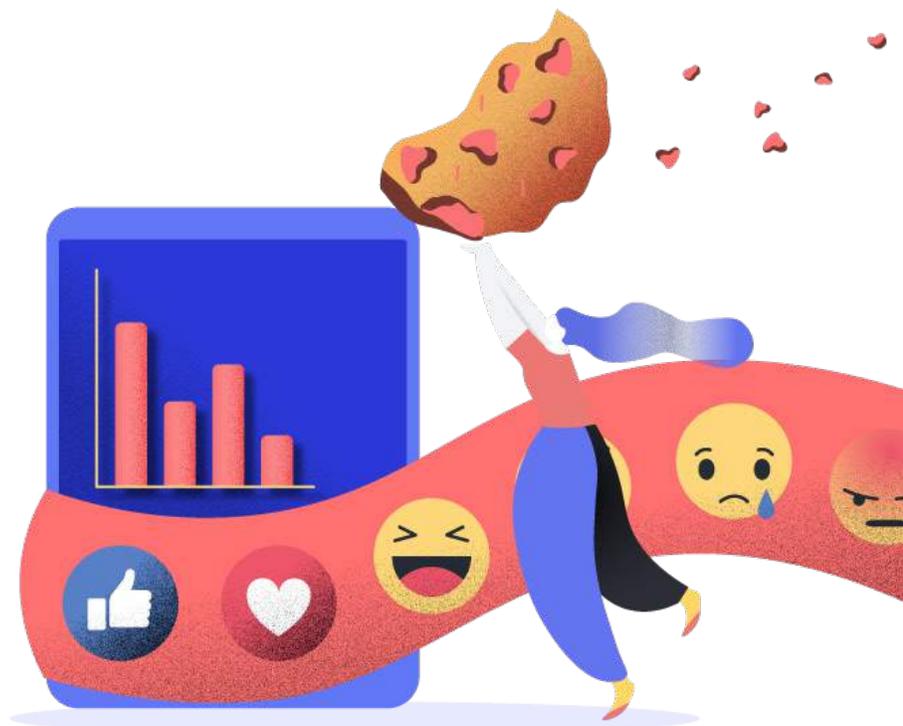
Kantar's 'Getting Media Right' study, surveying 500 senior-level marketers from advertisers, media agencies, creative agencies and media companies, shows that 65 percent are concerned about how to measure digital campaigns effectively in a post-cookie world. However, nearly half of agencies and three-quarters of brands have not begun preparing for changes to come.

Cookies won't disappear overnight, meaning that advertisers face a new 'mixed economy,' one that makes measurement more complex, according to Hannah Walley, Kantar's joint head of media and digital in the UK. She adds: "Marketers must find alternative solutions to reduce their reliance on cookies for collecting the data they need to accurately assess campaign performance. We may see some publishers using alternative solutions based around

deterministic IDs and panels. Third-party research will also become increasingly important."

Walley also warns publishers and agencies about the walled gardens, such as Facebook and Google, who will keep data and measurement within a closed ecosystem. She adds: "Publishers and measurement partners will need to collaborate closely on ways to increase transparency and enable true cross-publisher evaluation for the first time."

Over the next twelve months there will be huge shifts in new technologies, innovative solutions and evolving methods to try and overcome the uncertainty that lies ahead.



The future of the DMP

As brands and publishers move their focus from third-party cookies to first-party insights, the industry may well question the use of data management platforms (DMPs). DMPs were born out of the appetite for third-party data providers to push syndicated audiences into demand side platforms (DSPs). Technology soon matured to allow marketers to combine their immediate customer behaviors and interactions with third-party data exchanges that began to surface in the mid 2000s.

The rapid evolution of the smartphone created a whole new data stream for businesses, and it's not just 'mobile data' as a single silo; mobile has introduced a breadth of insights from location information to the in-app world — a secure environment in which deep, behavioral insights emerge from single device IDs.

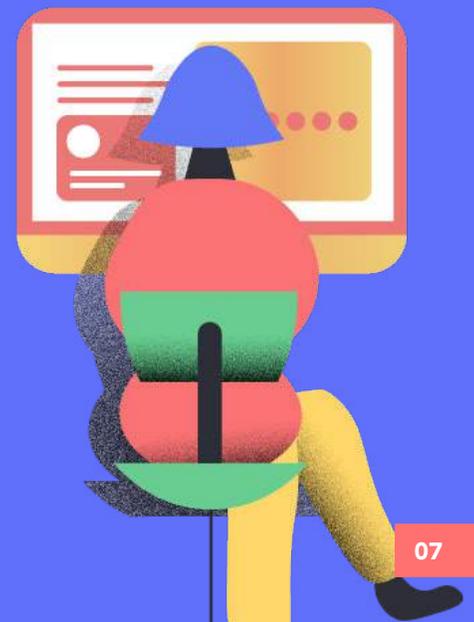
Enter the customer data platform (CDP). CDPs evolved from many businesses taking a digital-first approach, creating a need for more focused data collection and emphasis on the customer journey. The CDP can ingest and normalize data from many sources and combine different data points into a single customer profile using exclusively deterministic IDs.

Until now, there's been a strong argument for businesses to apply DMPs and CDPs side-by-side to support a well-architected data strategy. But the future of DMPs is in question with the demise of the third-party cookie.

"Targeting within the programmatic world will fundamentally change," says Tarik Windle, head of precision planning at Wavemaker UK. "With greater focus on consent, third-party data pools — from data exchange platforms and data providers — will likely decline and traders targeting specific audiences will have different targeting options available in the DSPs."

With this in mind, Windle says: "There is likely to be a heavy focus on contextual targeting with premium publishers, i.e. keyword context and semantics of page content, and a number of companies will develop their own proposition. DSPs will not be able to provide frequency capping capabilities which limits the ability to manage campaign efficiency."

The DMP will likely transform into something that closely resembles a CDP. This is already happening, as leading platforms make the necessary steps to evolve their technologies, keeping ahead of browser threats and regulations.



Content is king, but context is emperor

Many predict that publishers and advertisers will turn to contextual advertising to continue targeting consumers with relevant communications once the use of third-party cookies declines. Some publishers have made a head start. In August 2019, UK publisher alliance Ozone — made up of [the Guardian](#), [News UK](#), [The Telegraph](#) and [Trinity Mirror](#) parent, [Reach](#) — unified [how they classify contextual targeting](#) to help brands target ads more acutely and at scale across their pages.

American media conglomerate [Meredith](#) rolled out new ad units, in January 2020, with targeting based on a mix of content viewed on its sites, along with location and time data. Speaking to Digiday, Meredith's head of innovation Corbin de Rubertis said: "We're taking a bunch of classical signals that you'd use with dynamic creative, and doing it with a lot of AI rules. It's about, 'Can we put something in front of you that is of the maximum level of utility so you're able to take the next step on your journey?'"

Relevancy is an attractive quality of contextual advertising. Anthony Magee, director of data and experience at SYZYGY, says the industry needs to think "beyond clicks and channel silos towards richer contextual creative that drives engagement." For brands and publishers in a post-cookie world, he says, a "clear value exchange that incentivizes users to log-in or share their social profile is critical for relevancy and delivering winning experiences."

But there is a balance to be struck between content and context. Barry Lee, chief activation and operations officer at Mindshare Outcomes, believes that both creative execution and contextual targeting are as important as each other. He says, "It is a symbiotic relationship. There is no point being the best-targeted with a bad message, and there's equally no point in having a great creative message if it's not delivered in the right place, at the right time."

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Thinking beyond clicks and channel silos towards richer contextual creative that drives engagement, with clear value exchange that incentivizes users to log-in or share their social profile, is critical for relevancy and delivering winning experiences as a brand or publisher in a post-cookie world.

— Anthony Magee
director of data
and experience at
SYZYGY

Re-imagining personalization

Cookies have allowed a level of targeting that drills down to the individual, but, as privacy debates have highlighted, there is a balance between identifying your audience, creating relevant communication, identifying individuals and 'following them' around the internet. As marketers continue to strive for customer-centric and data-driven strategies, the search is on for alternatives to such practices.

Magee, at SYZYGY, sees value in constructing data models that combine signals from on-site creative and

content experiments, across digital advertising and dynamic creative, "to construct refined and relevant audiences to measure and target against." He says: "This embraces the concept that relevancy and maximized ROI doesn't have to come from a one-to-one exact identification of a user."

Wilson, at Equator, agrees that the shift in the privacy landscape will likely include an increase in the creation and dissemination of more relevant content online. However, Wilson adds: "There will be greater emphasis on interrogation and

application of first-party data to support marketing strategy. Inevitably, there will likely also be a much-needed injection of innovation into this arena — such as the possible further augmenting of real-time content consumption approaches."

Furthermore, she says: "In this post-third-party backdrop, we can hopefully also address and innovate on some of the well-known shortfalls inherent to cookie matching (e.g. device switching), re-aligning targeting, measurement reach and strategy with the established behaviors of today's users."

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As one-to-one relationships with customers become a thing of the past, we need to re-examine what personalization actually means. When we discuss personalization, what we are looking to achieve is relevancy. Do we need user-level data to provide relevant ads? It would help, but it's not a necessity.

— **Robert Gray**
head of analytics at AI
and data-driven
agency Artefact



Marketers' responsibility

Peter Dolanjski, director of privacy and security products at Mozilla Firefox, believes that marketers have a responsibility to their customers and their brands. He says: "They have an opportunity to stop feeding the current system that benefits sneaky data collectors, greedy double-dippers and people that violate people's ownership over their data."

In March 2018, Mozilla decided to pause its advertising on Facebook amid the Cambridge Analytica revelations. The marketing team had to work harder to find ways to reach potential users and deployed tactics such as experiential marketing, doubling down on earned media and optimizing its owned marketing channels. Advertising directly with publishers has also been "very effective" for the brand.

Dolanjski says: "We need to go back to the fundamentals of understanding our target audiences and knowing how to talk to them. For instance, market research should be a prerequisite in marketing, but many teams skip this step and say, 'Let's simply buy and collect data instead'."

A view from The British Heart Foundation

The British Heart Foundation (BHF) is working with experts to future-proof its 2020 paid media data strategy and help the UK-based charity continue its vital work. Amy Sharples, head of digital marketing at BHF, shares her experiences of preparing for a cookie-less world.



How has the Google Chrome announcement affected your business to date?

For us at BHF, explicit opt-in consent for placement of non-essential cookies was the first hint that the days of cookie-based targeting and measurement are numbered, and the Google Chrome announcement made it clearer than ever that we need to prepare for a cookie-less world. We're excited to see how the industry adapts and what new solutions enable us to continue our life-saving work with impact, while respecting the privacy of all those we connect with.



What are your three core objectives for 2020, in terms of defining a strategy for the future?

We're at the beginning of developing our new data strategy, and we're excited to see how the industry adapts and evolves. Setting the vision and core principles around data, martech and ePrivacy compliance are key for us as an organization. We're putting the wheels in motion to create a more datacentric culture throughout our organization, to better position us to overcome hurdles that will inevitably follow.



What advice would you give to other businesses across the (m)adtech landscape regarding surviving in a cookieless world?

Don't feel worried about asking questions. We're in this together and it's worthwhile surrounding yourself with trusted partners and advisors. Focus on collecting first-party data and building a robust strategy around that. Develop propositions and content that offer real value to your customers and the rest will follow, and keep a close eye on what happens next - contextual intelligence and content engagement are exciting opportunities on the horizon.

Top tips to survive — and thrive — in a cookieless world

Tip #1

Act now, not later: Businesses need to start exploring new ways to mitigate future hurdles — and they need to do it now. Defining a strong, data-centric strategy in line with innovative solutions — such as contextual intelligence — will help companies build the architecture of a future-proofed business.

Tip #3

Don't panic: It's going to take time for the industry to find its feet and many smaller hurdles may need to be overcome before Google's two-year deadline is upon us. It's paramount businesses don't make rash decisions but rather take the time to truly understand the impact a cookie-less future represents. Only then can they design a successful strategy moving forward.

Tip #5

Challenge the status quo: As recent events have taught us, traditional methods of advertising have caused businesses to be highly scrutinized by the likes of the ICO and government regulators. And for good reason. Don't be afraid to change. In fact, do change. Without a change in mindset, a shift in strategy focus and innovations for future activations, stakeholders slow to transform will get left behind.

Tip #2

Ask questions: Businesses should assess their existing tech stacks to evaluate the vendors who are bringing or eliminating value. Don't be afraid to ask your vendors questions such as, is your current DMP evolving in line with your objectives? Ask, are your adtech vendors GDPR compliant? Remember, quality will always trump quantity when it comes to creating your (m)adtech ecosystem. Ask questions like these to audit for the quality required.

Tip #4

Surround yourself with support: You don't have to get through this on your own. Even the smartest leaders throughout the industry are uncertain as to exactly what and how things will play out. Work with specialized partners who can supercharge data-centric sectors of your business.



Closing thoughts

The world of adtech, martech and datatech is vast and going through one of the biggest changes yet. To succeed in a new era of marketing without third-party cookies, it's imperative for marketers and their technology partners to be willing to make changes to how data is sourced, managed and implemented.

To continue creating data-driven customer experiences in a privacy-cautious world, marketers should explore alternative methods. These include: using first-party data pools and services, examining their own first-party

data, innovating with DMPs and CDPs and exploring contextual advertising, working with and supporting premium publishers to increase relevancy and, hopefully, incentivizing consumers to willingly share their data.

The phasing out of third-party cookies is an opportunity for the industry to change, place the consumer at the heart and innovate in a privacy-compliant way.



About Us

The Silverbullet Data Services Group is a new breed of data-smart marketing services, designed to empower businesses to achieve the new hybrid of data services, insight-informed content and programmatic.

Our guiding principle is to create an insight-driven strategy in order to win. By creating a frictionless flow of data, we enable businesses to technically engineer an always-on, consumer-centric approach to marketing — underpinned by intelligence and expertise.

We live and breathe data, and we help businesses win.

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