



QUERYCLICK



Achieving Marketing Success in a Cookieless World

A guide for marketers

www.queryclick.com

Introduction

Cookies have been a part of the digital landscape for an eternity (or at least in the digital marketing sense). Marketers have been using them for years to track prospective customers on their journeys across the web. And, most importantly, to collect data that enables personalisation of individual user experiences and performance reporting of ad targeting.

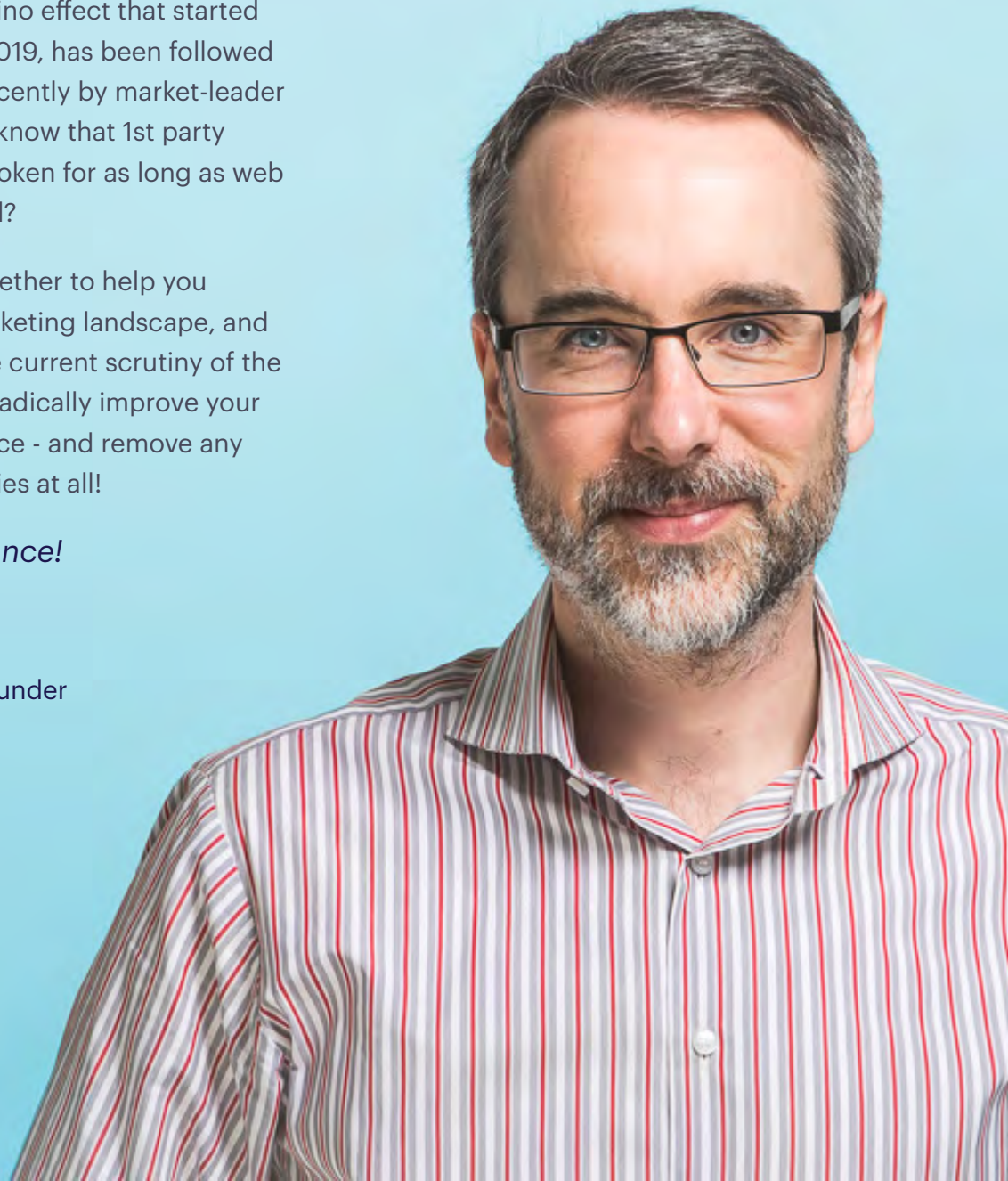
However, all of that is changing considerably, with significant strides having recently been taken by major industry players to remove 3rd party cookies. A domino effect that started with Firefox back in 2019, has been followed by Safari and most recently by market-leader Chrome. But did you know that 1st party cookies have been broken for as long as web analytics have existed?

We put this guide together to help you navigate the new marketing landscape, and take advantage of the current scrutiny of the role of the cookie to radically improve your marketing performance - and remove any dependence on cookies at all!

Here's to performance!

Chris Liversidge

QueryClick CEO & Founder





Contents

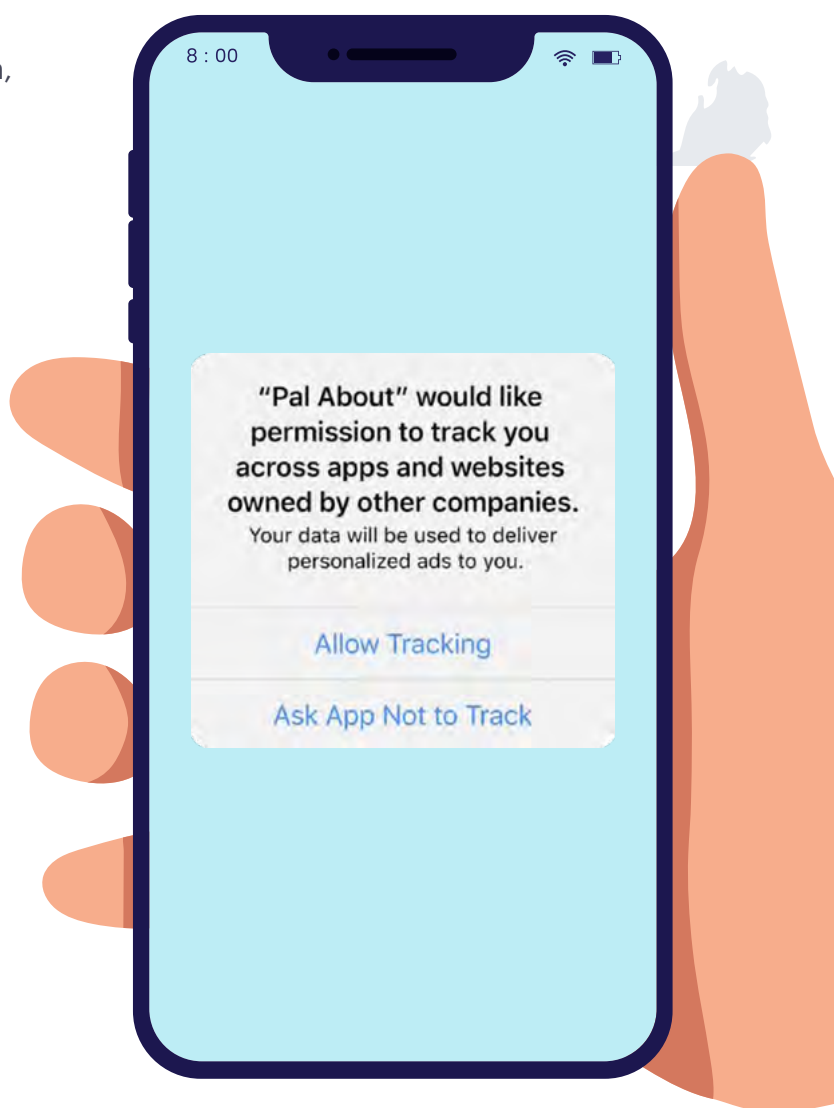
- 04** 3rd party cookies – what is actually happening and why?
- 06** What does all of this mean for advertisers and the wider market?
- 10** 5 tips for surviving the 3rd party cookie “apocalypse”

3rd party cookies – what is actually happening and why?

You could argue that the death of the 3rd party cookie started [back in 2019](#), when Firefox announced that it would block them by default for users of its web browser.

But it's two more recent decisions by major industry players that have thrown the marketing industry into a state of confusion, and even despair, which are namely:

- The announcement by Apple that from **April 15, 2021** their iOS 14 release would make their **IDFA a required opt-in** on each and every app used
- Confirmation from market leader Google that they will begin **phasing out 3rd party cookies from Chrome browsers by 2022**. Chrome will still allow the collection of 1st party cookies - used by web analytics and AdTech to join visits together; however research conducted by QueryClick has established that 1st party cookies are a flawed technology that fail to join together sessions as advertised, breaking the accuracy of almost the entire web analytics marketplace.



So, why is this change happening?

There have been a number of elements that have combined to drive change including:



Concerns around privacy

Increased scrutiny from consumers, and privacy activists, around the ways companies have been utilising 3rd party cookies to target advertising. Raising issues around transparency and the lack of clear consent.



Legal changes

Legislation ranging from GDPR, to the ePrivacy Directive and CCPA have all specifically targeted how brands and advertisers gain consent via cookies and process data for marketing purposes.



Ad blocking preferences

According to Statista [26% of internet users](#) are using ad blocking technology on their browsers driven by concerns around privacy. Which is also diminishing the role of 3rd party cookies.

However, it's the seismic changes from Apple and Google that are really changing the shape of the game for marketers. With radical changes to user identification, limited attribution windows, loss of cross domain tracking and time delays in data reporting that combine to mean significant challenges in reporting ROAS.



What does all of this mean for advertisers and the wider market?

There are a lot of angles on this. But here are some of the major implications we see resulting from the changes.

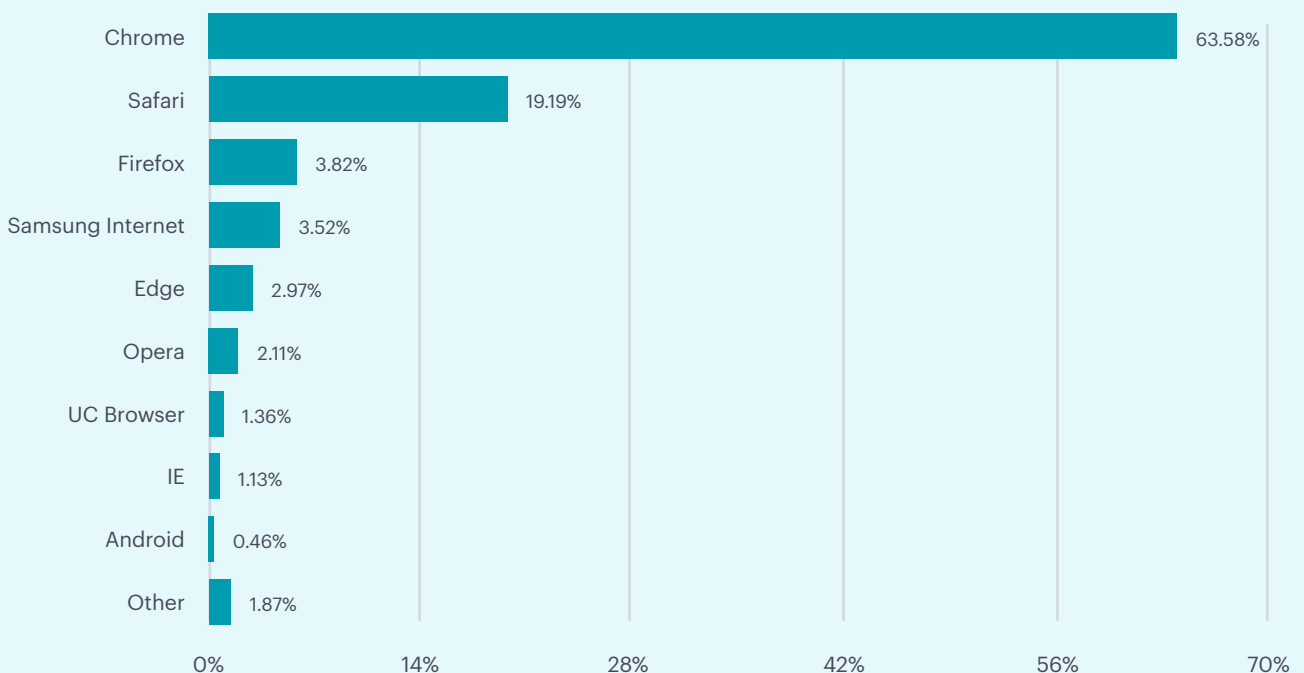
→ Some of the old marketing certainties are gone... or going soon

The sheer scale and scope of Google's reach guarantees wide ranging changes to the market.

Estimates vary as to the size of Google's share of the browser market but tend to coalesce in the region **64% on desktop and 41% on mobile**.

Which gives us a feel for the impact the change might have. But coverage is only one side of the equation. The truth is that for the best part of 3 decades marketers have built entire strategies around the power of the 3rd party cookie. Driving their entire approach to cross-site targeting, behavioural approaches, user analytics and more recent innovations like re-targeting.

StatCounter Global Stats - Browser Market Share Worldwide on Nov 2020





The entire industry from marketers to platform providers have relied on their power. And the level of disruption is going to be unprecedented – and may yet make GDPR look like a walk in the park. Not least because the challenge of building and targeting customers based on 1st party data is also flawed, as we learned working with our enterprise customers here at QueryClick while developing machine learning alternatives to the cookie to improve the - largely broken - session ‘stitching’ that cookies are used for in AdTech and Analytics platforms.

➔ **A move away from individual behavioural targeting is on the cards**

The changes look likely to expedite a move away from behavioural advertising of individuals, and towards targeting cohorts.

In reality, this removes the capability to reach individual consumers deemed to have the highest propensity to convert based on showing an interest in an advertiser’s products or services.

However, it is a move that has proved successful for publishers, with the New York Times famously moving away from behavioural advertising within Europe in 2018 – partly in response to GDPR. With a move back towards contextual and geo-located advertising. Without any reported reductions in advertising revenues.

This type of shift away from behaviour based programmatic targeting opens the door for publishers to take advantage of their own 1st party data and focus on contextual, geo-located and private marketplace (PMP) deals directly with advertisers.

This would allow advertisers to circumvent 3rd party advertising platforms and directly negotiate with the end inventory owner. Increasing transparency and reducing hidden ad-tech stack costs. It’s also possible this change will help to reduce Facebook, Amazon and Google’s stranglehold on the online advertising world.

But time will tell on that front.

→ Google won't stop tracking individuals altogether

Whilst Google are signaling that they are moving away from tracking individual users – at least on a 3rd party basis – they will continue to explore alternative approaches as part of its [Privacy Sandbox initiative](#) that include:



Interest-based advertising

– or Federated Learning of Cohorts (FLoC) promises to change the focus to more of a cohort-based approach which dispenses with the idea of one-to-one personalisation and focuses on broader targeting. By “hiding” individuals inside crowds that share common interests. In fact, Google claim that this form of targeting had at least 95% of the conversions per dollar spent when compared to cookie based advertising.



Audience creation

– aimed at creating the ability for advertisers to create and deploy their own audiences without the use of 3rd party cookies, for example remarketing to website visitors. By using the principle of “trusted servers” to deploy campaign information.



Google also has Google Chrome inspired solutions for conversion measurement in the absence of 3rd party cookies.

It is worth keeping an eye on developments here.



→ Maybe the impact will be less marked than we think

Before we move on and look what you can do to position yourself for the changes that are coming down the track on 3rd party cookies it is probably fair to visit the other side of the argument – in terms of the potential impact.

In particular, it is important to highlight that not everyone agrees that 3rd party cookies really deliver the kind of reach that some programmatic vendors would have you believe – with [research suggesting that this might be in the hundreds rather than thousands as often proclaimed](#).

And there is also fairly compelling research evidence [that increased targeting using 3rd party cookie audience data reduces the effectiveness of performance marketing campaigns](#), rather than improves it.

To gain any incrementality whatsoever from 3rd party targeting data, we need to spend 2.5 times the cost of a display ad, and 1.5 times the cost of a video ad - meaning only really premium inventory makes any difference to marketing performance compared to no targeting at all.

So, on the flip side, maybe the downside isn't quite as big as people think.

	Cost Data for Digital Audience Solutions			
	Display Ad Costs		Video Ad Costs	
	Targeting	No Targeting	Targeting	No Targeting
Publisher	1.36	1.36	11	11
SSP Exchange*	0.13		1.09	
3rd Party Data Costs	1.33		1.33	
Ad Serving & Verification	0.2	0.2	0.2	0.2
SUM Sell Side Costs	3.02	1.56	13.62	11.2
DSP*	0.44		2	
Trading Desk / Execution*	0.45		2.04	
SUM Digital Ads Costs	3.92	1.56	17.67	11.2
Agency of Record*	0.27	0.11	1.24	0.78
Final Costs Advertiser	4.2	1.67	18.9	11.98
Final Ratio to No Targeting	2.51		1.58	

*Refers to variable costs. Sources Slius (2018); Gertz (2018)

Source: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3203131

5 tips for surviving the 3rd party cookie “apocalypse”



So, given the landscape how do you go about ensuring you and your brand negotiate the changes as smoothly as possible?

Here are our **5 tips for success** in a 3rd party cookieless future.



1 – Context is king

Beginning to test additional targeting options is crucial.

Contextual targeting already exists and integrating it into your campaigns now will give you time to understand what does and doesn't work ahead of any mandatory shift.

At [QueryClick](#), we believe the usage of contextual targeting is going to be

where the value will truly exist. But is the combination of context and data that is really going to be the game-changer.

So, using 1st party data to understand your audience and then targeting them on websites that meet their interests is fundamental. For example, a sporting goods retailer may wish to look at investing in ad inventory on BT Sport or similar sites.

2 – Maximize the value in 1st party audiences and data

Don't lose sight of the fact that 1st party data is available – and is actually preferable if you can get on top of it and leverage it as it opens a world of possibilities around personalisation.

Using the 1st party data from your own analytics platform is a great start – with the strong caveat that you need to improve and rebuild it - but expanding on that 1st party data repository with richer data will be vital to help inform on-going targeting.



So, get creative and start activating 1st party insights that are hidden in CDP platforms, CRM and MarTech systems and offline campaign interactions. Dig deep into email engagement, buying history and the sort of conversations that are taking place in your call centres.

Getting to know your audience in more detail will allow you to better understand where they browse and enable you to target similar cohorts – using similar approaches to the Floc principle being explored by Google in the Privacy Sandbox.

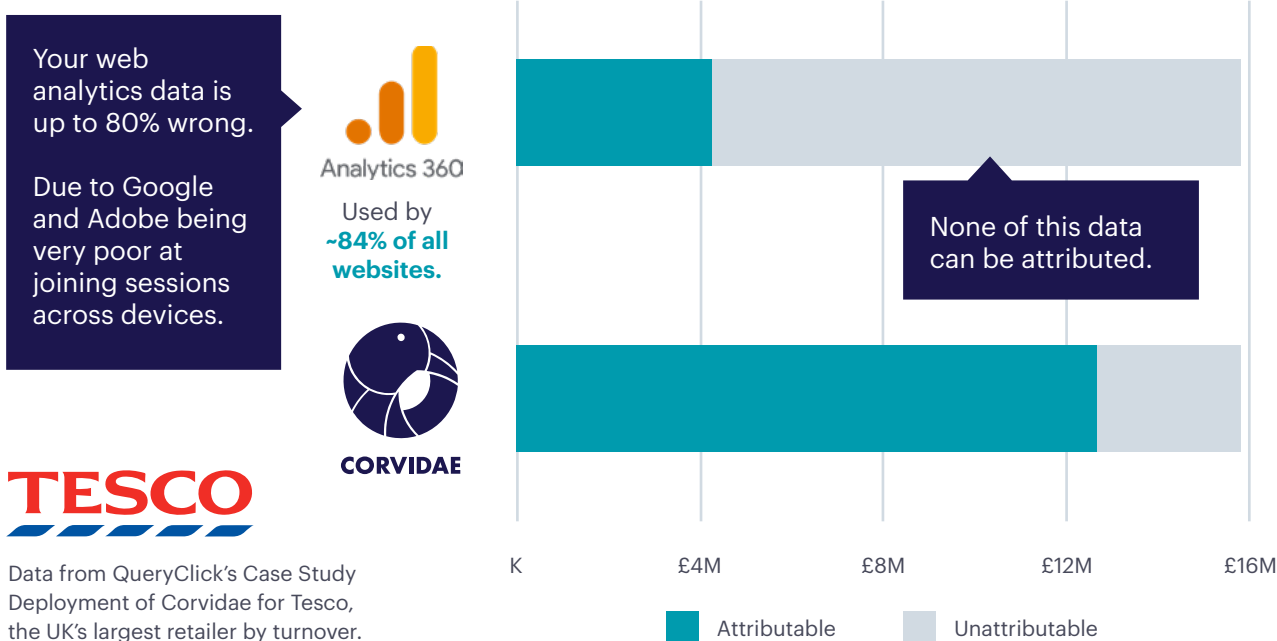
3 – Analyse and rebuild your broken cookie data

Despite the furore surrounding the changes to 3rd party cookies themselves it is pretty well documented by now that relying on cookies – even 1st party cookies - is problematic. And in reality, they do a poor job of tracking customer journeys.

Let's try and put that in context for you. Take Google's approach to collecting the majority of digital marketing data which

is based on a pixel-plus-cookie based approach. This session-based approach is based on tracking a device accessing a specific website or other web property. Not around identifying an individual – who just happens to be on a complex, multi-device journey. And as a result, it does a poor job of attribution – in fact, it generates data that is around 80% incorrectly attributed as shown here.

Daily Attributable Data (i.e. Repaired Broken Sessions and Enhanced Cross Device)



In this example – for a leading UK food and clothing retailer – QueryClick was able to use its attribution tool, [Corvidae](#) and take existing Google 360 data and effectively rebuild it. And **adjust the level of attributable spend from £4.1m to £13.6m** in the process.

So, rebuilding your core data is foundational.

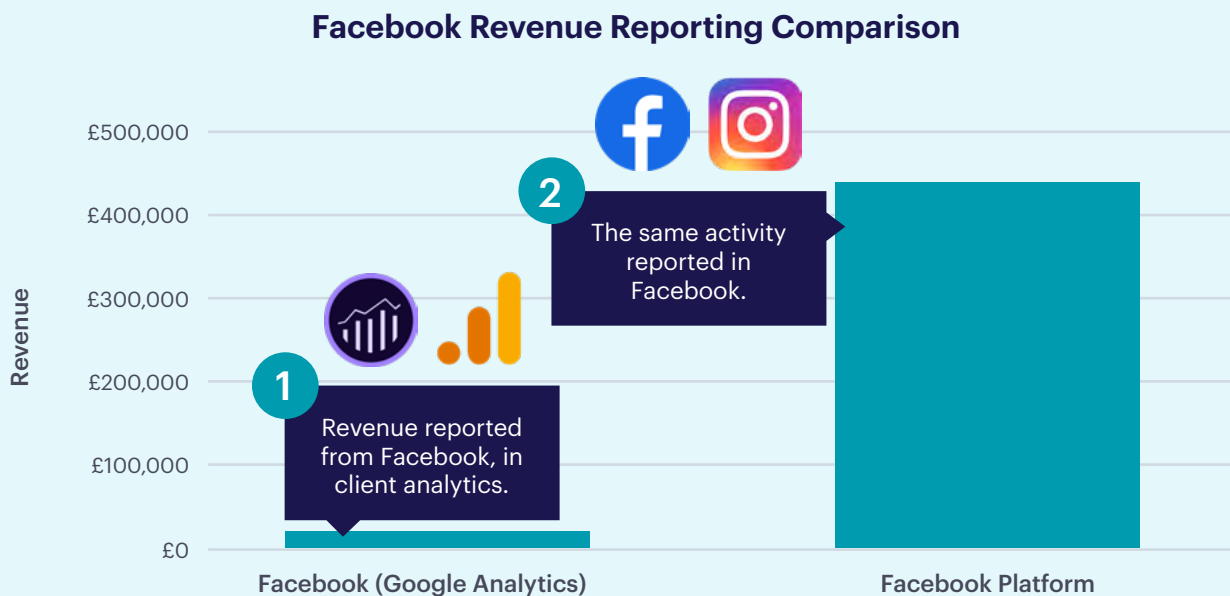
4 – Solve your attribution issue as an urgent priority

Use your rebuilt data to solve the single, most pressing issue for marketers right now (in a 3rd party cookie-less world or otherwise). Namely more effective attribution across all of your marketing activity.

Still don't believe there is a problem? Take the example below.

This is taken from a recent retail customer campaign on Facebook.

You can see here activity as reported by Facebook on the right-hand side. And on the left-hand side, how that same activity is being reported in click-based analytics - like GA and Adobe.



As our CEO at QueryClick, Chris Liversidge explained:



“If we were to trust our web analytics supplier, then we would say that there’s £20,000 of attributable revenue. And if we were to trust Facebook, it’s nearly £450,000. Now, clearly the truth is somewhere in between”.

And finding exactly where in between - and ideally going into more granularity than just simply a channel level as we’re looking at here - is the job of effective attribution.

An issue that is just as important a challenge for your brand as the impending changes in 3rd party cookies.



5 – Don't leave any of this too late

The clock is most definitely ticking here. And though there is no immediate panic, there is no doubt that the work you do to explore your options to reshape your marketing between now and the big 3rd party cookie switch off in 2022 is going to define your relative success after that point.

Use the time wisely. And work out how you are going to make yourself less vulnerable to future changes in marketing governance

and the impact of policy changes by the big industry players.

There is a huge opportunity on the back of all this to redefine your 1st party data view and deliver marketing experiences that provide real value for the people who matter most in all of this. Your customers.



Talk to us

If you need help in that process talk to us.

We are not only experts in the field of delivering performance marketing for our customers but we have continued to dig deep into why attribution is broken for our clients – finding along the way that up to 80% of web data is wrong – and [developing Corvidae](#). Our own attribution platform that leverages sophisticated AI and Machine Learning techniques to provide clients with the single, individual user level journey view they need to be more effective.

[Contact Us Today](#)

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