![Adobe](Adobe logo)

Analytics In a Post-Cookie World
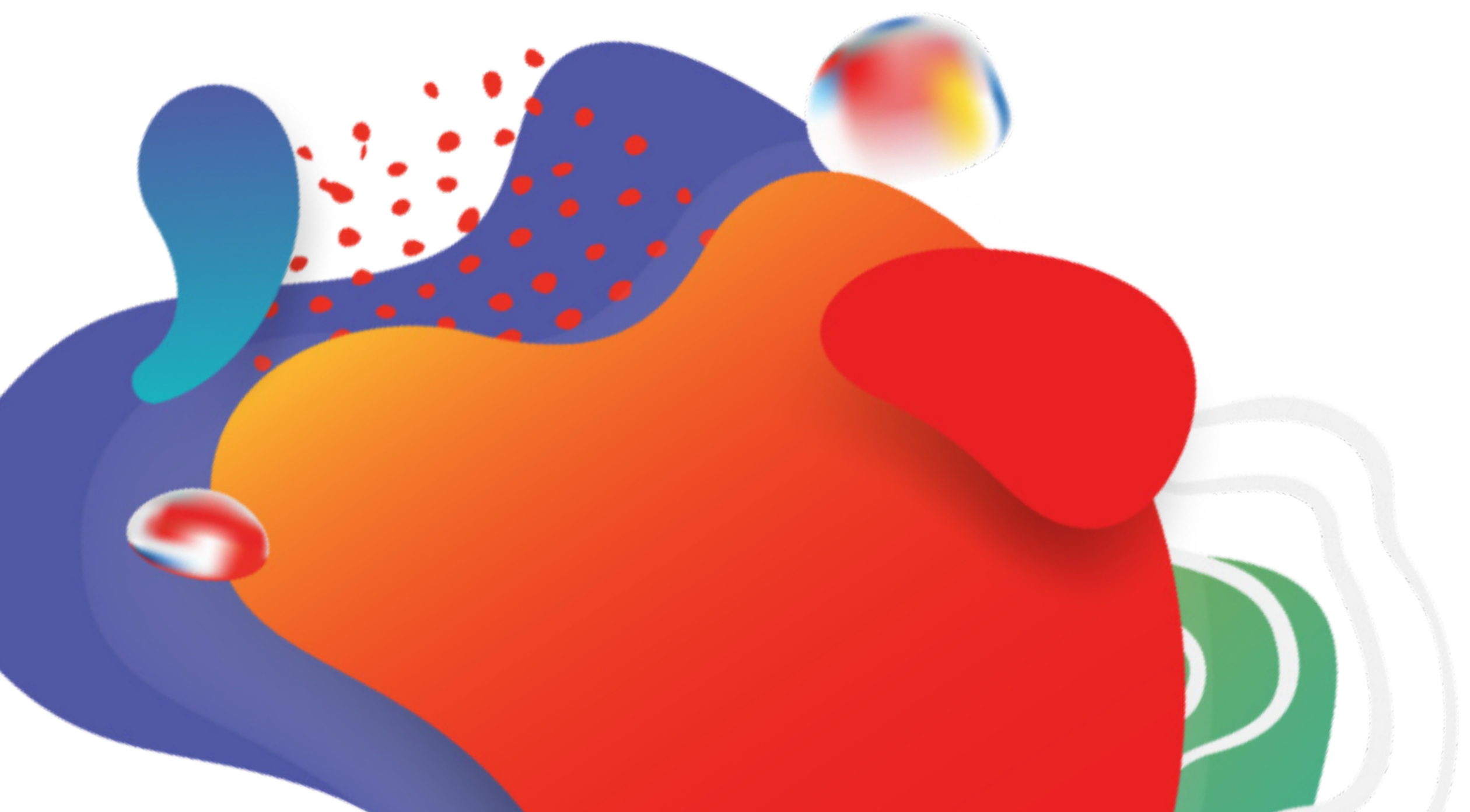
Your Guide to Navigating a Cookieless Future.

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Let's talk about the cookie apocalypse. Third-party cookies have been fundamental to digital marketers to solve digital identity, ad targeting, behavioral tracking across domains and attribution. However, third-party cookies have been declining in relevance for years for many reasons: browser privacy changes, new regulations, and shifting consumer expectations with respect to privacy.

Now, that third-party cookies will crumble in Chrome in 2022, following other major browsers like Apple's Safari and Mozilla FireFox that already block these cookies by default, digital marketers have to reimagine their identity strategy as these use cases experience drastic changes.

This report will dig into updates by key players Apple and Google, use cases that will experience limitations in Adobe Analytics, strategies to consolidate your brand's identity strategy and what are risks of trusting walled gardens.

What's a cookie?

- Cookies are small messages that web servers pass to your browser when you visit a site.

- We generally think of 1st party (set in the domain of the site) and 3rd party (set in a domain that isn't from the site).

- Cookies can be persistent (last for days, weeks, months, or even until you clear your browser history) or only exist for the time you are on a site (session cookie).

- Cookies enable websites to remember preferences. Cookies are great at retaining information like what you had in a shopping bag or your log-in.

- For marketers, third-party cookies provided key data points to enrich profiles and support customer acquisition efforts.

- Third-party cookies are useful for things like measuring the impact of an impression.

- Only third-party cookies are blocked by browsers, though some browsers like Safari limit the use for first-party cookies.

Many businesses, even digital marketers, have not processed the magnitude of the changes implemented by Google and Apple.

Movement from key players:

The writing has been on the wall for years. Apple introduced Intelligent Tracking Prevention (ITP) in 2017, and since then ITP updates have made it more and more difficult to track and analyze Safari web traffic or people using Apple iOS (i.e. people on iPhones). In 2020, Apple released a new feature of ITP that limits first-party cookies, effectively capping the lifetime of our visitor ID service (ECID) and Analytics first-party cookies (AID) to seven days, as opposed to two years previously.

As part of the iOS 14.5 update this year, Apple announced that mobile apps will require explicit permission from users to access the IDFA (Apple's "Identifier for Advertisers). This identifier is used to track users' activities across mobile apps for adversiting purposes. This change doesn't impact Adobe Analytics because our tools don't use the IDFA to track behavior and the Experience Cloud Visitor ID (ECID) doesn't track users across mobile apps.

In January 2020, Google announced that it would remove third-party cookies from Chrome in early 2022.

Many businesses and even digital marketers haven't reconsidered their first-party data collection, advertising, or analytics because third-party cookies still work in Chrome, and Chrome has a majority share of the web browser market.

There is no fixed date for when Chrome will remove third-party cookies, but 2021 is the last year when the "cookieless future" will still be a reality for marketers. Soon, marketers must actually make do without many common third-party tracking tools.
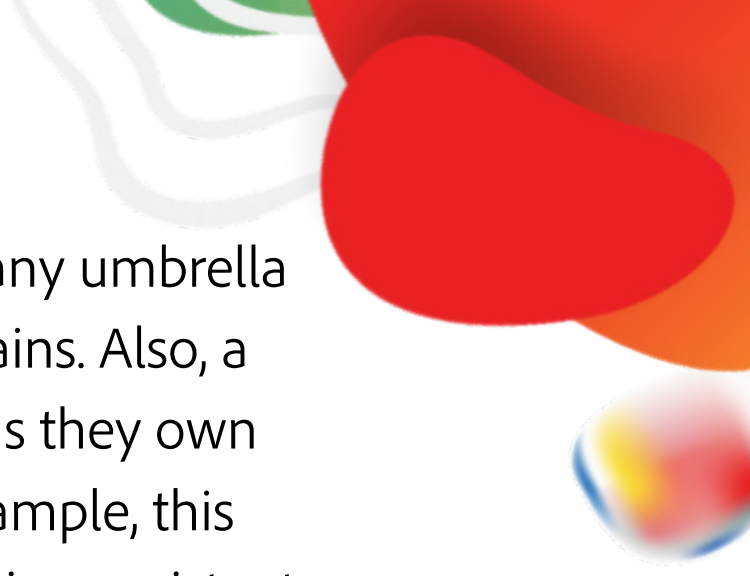
How do these changes impact Adobe Analytics?

Adobe Analytics is a privacy friendly application and it relies on first-party cookies, which are mostly intact. Therefore, Adobe Analytics impact to capture behavioral data is minimal. Marketers should assess the impact to their data by creating segments and/or excluding data that is biased. How many visitors use Apple ITP and how often visitors return to sites will vary from customer to customer. For details on strategies to assess your impact watch Adobe Summit session: Identity Crisis & Opportunity: The Future of Data Collection - E170"

Third-party cookie use cases:

- **Cross-domain tracking:** Third-party cookies are required to understand a visitor's activity on other sites a brand may own. When third-party cookies are blocked, this will not be possible. Activity on one site cannot be tied to activity on another site with first-party cookies alone.

A common use case is when a company with multiple sites under one company umbrella shares its third-party cookies to offer consistent experiences across these domains. Also, a publisher that operates many sites can recognize visitors across all the domains they own but starting next year those visitors will appear as separate individuals. For example, this will limit a brand's ability to personalize experiences across domains or maintain consistent experiences across sister brands.

- **Ad Attribution and Optimization** help advertisers answer the question, "Did it work?" Here, marketers need to take control of their use cases to ensure they can still manage attribution without third-party cookies. Media metrics like CPMs and click-through rates will become less relevant, since advertisers won't connect those metrics to business outcomes.

First-party cookie use cases:

- **On-site journeys** may appear fragmented for users on Apple's platforms and marketers may experience inaccurate **attribution** reporting. Apple's ITP update stipulates that first-party cookies must be reactivated within a week. Total site visitors will go up; But only because return visitors can't be identified. This will limit marketers' ability to connect site conversions such as purchases or sign-ups to upstream customer journey data, which previously was a big advantage for digital advertising.

Technologies to strengthen your identity strategy

One important tool to know is the **Adobe ECID (the "Experience Cloud Identifier")**. Companies use the ECID to collect first-party data and centralize that data on a single customer data platform. This enables a unique identifier to sync with customer profile data across the business, including a membership program, customer service or sales. Adobe encourages customers to leverage ECID because Adobe applications use it to take advantage of insights and opportunities. For example, the Adobe Analytics for Target integration will work without limitation for in-domain experiences. Brands will be able to personalize experiences leveraging behavioral data from Analytics and optimized user experience through Adobe Target.

Also, **Adobe Analytics** relies on first-party cookies to capture customer journeys and to help brand optimize experiences on their digital properties.

The latest Adobe Analytics product is **Customer Journey Analytics (CJA)**. The key to CJA is that it takes the same interface and data-driven focus as online advertising and analytics, while incorporating offline data as well. Information from call centers, CRMs and point-of-sale transactions can be centralized in a data lake with digital identifiers.

The unique value of CJA's services is that it will allow brands to break out which metrics and identifiers work best for their brand, and how to generate more of that kind of data. A business might have many different identifiers in its system, including CRM identifiers like a loyalty program ID, or an email sign-up service, or identifiers via data and advertising deals with walled gardens like Google or Amazon that have second-party data deals.

With CJA, a brand can create multiple views of its customer journeys based on different identifiers, to evaluate which kinds of data are most effective for their purposes. Many marketers are wondering whether identifiers like email addresses or other online advertising IDs will be an effective replacement for third-party cookies when it comes to matching audiences or stitching together different data sets. CJA is purpose-built to give businesses the flexibility to evaluate their options, before committing to what works best for their program.

Since CJA incorporates offline data, it's also a valuable expansion of Adobe Analytics online behavioral tracking. Digital advertising and experiential campaigns are based mainly on closed-loop digital systems (online ad impressions tied to online traffic, leading to ecommerce sales or app downloads. However, many companies need a fuller picture of their customer journeys, since sales and customer engagements still often take place in brick-and-mortar stores or other real-world settings.

Without ubiquitous third-party cookie data filling customer profiles, companies must also centralize more customer data - online and offline - to strengthen their analytics.

Another cookieless Adobe Analytics service is **Cross-Device Analytics (CDA)**. The key to CDA is that it recenters analytics from device-based data to a person-based view of identity.

The reality is, the vast majority of Americans flit seamlessly across multiple devices (smartphones, computers, tablets, and connected TV services, among others). CDA helps brands understand their customers' multi-device usage and the customer journeys across those devices.

CDA also does cross-site stitching so short-lived cookies can be tied to more durable, authenticated identifiers.

The CJA and CDA products are part of an overall plan to shift business and marketing data from third-party cookies to new lines of information. Together, they should build your first-party data set not just with improved matching and cookie-stitching, but through analytics that reveal more effective ways to collect authenticated customer data.

By focusing on cookieless solutions, for instance, the CJA and CDA products show not just the media channels that drive traffic to your site, but which outlets specifically generate authenticated email sign-ups. For example, one publisher might drive 1,000 visitors to your site at an attractive low rate, but only 10 of those people provide a real email address. A site that sends 100 site visitors, half of whom share an authenticated email, might light up with the new CJA product. Analytics based on third-party cookies might have that advertiser sinking more and more into ineffective media with low rates and low rewards.
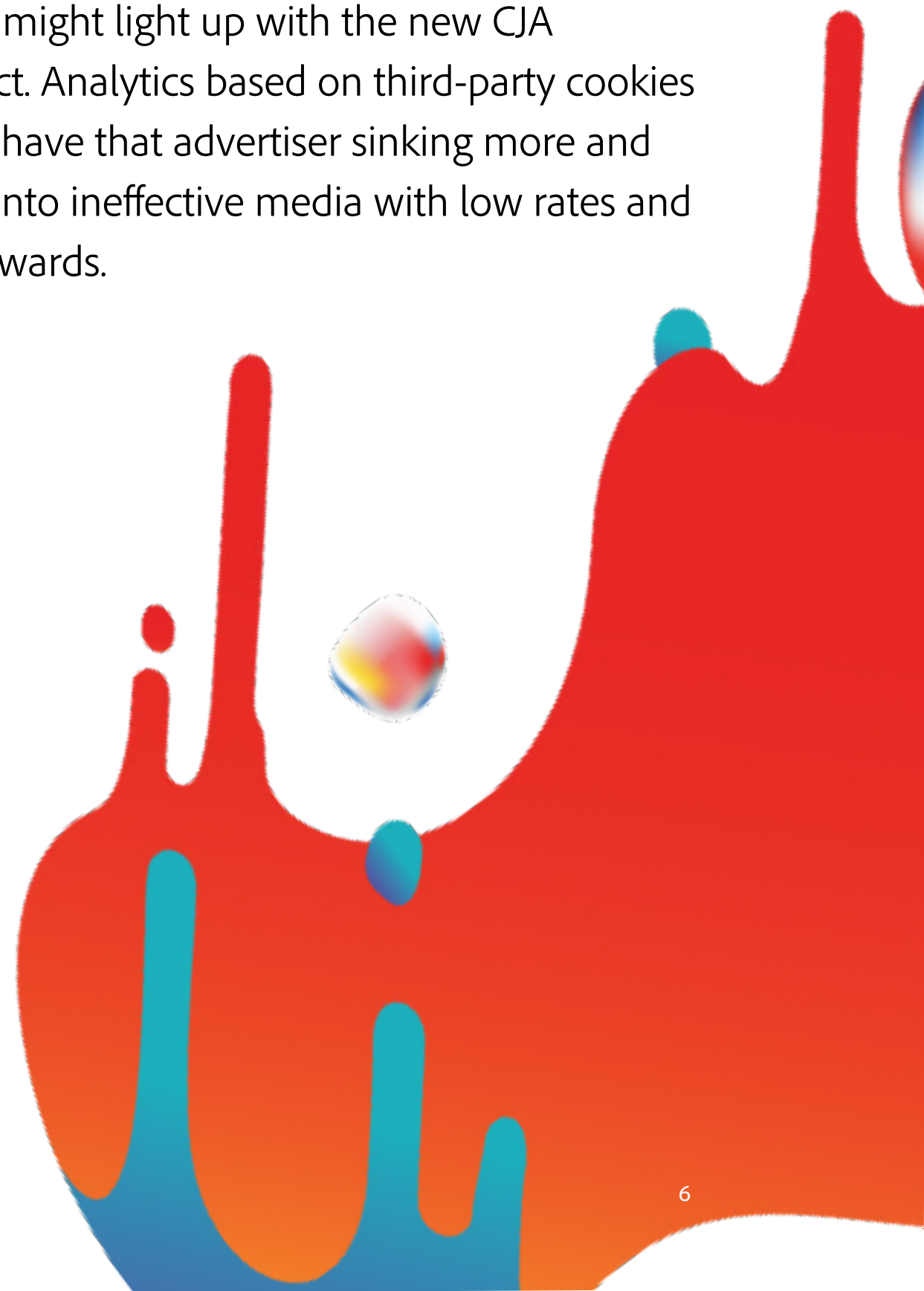
First-party data ownership and the walled garden 'off-ramp':

Transitioning to a first-party data-centric approach is a difficult, long-term proposition. Embracing new Analytics products like CJA and CDA will put you on that road. But it may also entail investing in tech like your own customer data platform, if you haven't already.

If you're an Analytics exec whose goal is to drive this change within your brand or organization, it's important to level-set accurately and to convey that a new approach will mean far less data overall, but more valuable data within your own platform instead of from third-party sources.

It takes time to build a large set of customers or users who have shared their email and consented to first-party data applications. And businesses must be creative to devise ways to improve customer service or experiences, as an incentive for data collection. Brands have an opportunity to take their customer-centricity one step further and differentiate from competitors through relevant content and experiences.

For many brands, the off-ramp for this journey is to default instead to walled gardens that have their own first-party identity sets. Instead of buckling down on your brand's authenticated ID graph, why not just lean on Google? Instead of the hard work of parsing Analytics from many media and data sources to run holistic attribution, why not just rely on attribution reports from platforms like Google and Apple.

This will hurt and mislead your business.

For example, Apple allows mobile advertisers that use its ad platform a 30-day attribution window to see which apps and sites drive downloads.

Third-party analytics services have only a one-day attribution window for Apple devices. What's more, if Apple logged a user clicking an ad four weeks before that person downloaded your app, Apple gives itself credit, even if an independent advertising platform targeted that same person with an ad for your app within the day.

Google's privacy policy changes likewise aren't simply about GDPR or CCPA compliance: They create a system that benefits the Google ad platform. Google's ad tech stack won't have third-party cookies either, but the massive first-party data set based on logged-in users from across Gmail, Search, YouTube, Chrome, Android, and more means Google can track and target web users effectively at scale without third-party cookies. By defaulting to Google's analytics and first-party data, your attribution reports will look more and more like what works for Google, and not necessarily what works best for your business and customers.

If you have a centralized customer data platform and an independent way to evaluate your media channels, it will become apparent that the conversions claimed by large online platforms far outnumber the actual number of sales or downloads recorded by your business. This is because these walled gardens over-credit their own platforms. With the Adobe ECID or an independent identity service as the baseline, you will see where true sales are coming from, compared to which platforms claim conversions without disclosing their analytics.
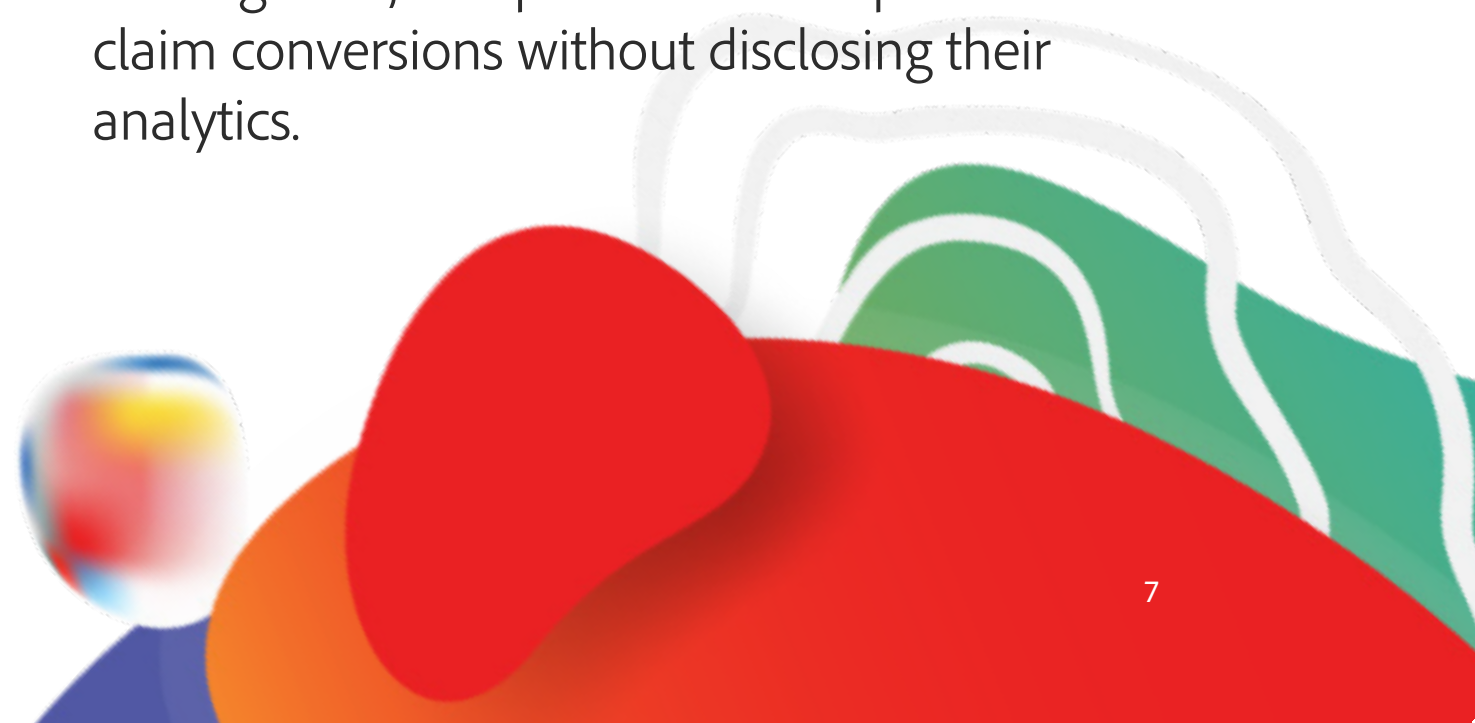
Adobe's POV

To synthesize a great deal of change and information into one point: Companies that centralize on digital-first experiences and their first-party data infrastructure will win in the long run.

We at Adobe believe we can be champions of this transformation on behalf of our customers. As one of the largest first-party data services in the open ecosystem, we act as custodians of first-party data for thousands of brands and businesses.

We focus on four pillars that set apart our approach to identity and underscore where Adobe sees the first-party data market going.

1 First-party data management

We want customers to operationalize their first-party data strategies - from data collection to analytics and activation - using Adobe's digital experience services and products. A great part of the value from advanced investment in first-party data is that your company's vision of your customer will consolidate. Every digital experience, customer service interaction, targeted ad campaign, email, and transaction would associate in real time to a single customer profile. To make that happen, the infrastructure provider needs to span the organization (Commerce, Sales, Advertising, Analytics and Customer Service often don't share data or use entirely different software systems). That's why the data "in-housing" trend is often associated with brands and advertisers consolidating tech point solutions to one cloud-based system and CDP. Those brands are still using and testing data and technology vendors, they're just doing it through a centralized system so that first-party data doesn't leave the platform.

2 Consumer trust

Adobe has the governance and privacy tools that will give you the flexibility to build your first-party identity data set while delivering privacy-conscious experiences that meet the expectations of your customers. Adobe has a global footprint, and is a leader in data privacy standards creation in those markets. Brands are responsible for their own consumer trust models, and we can support many strategies with the confidence that data is being collected with consent and used in a privacy-safe environment.

3 Second-party data partnerships

Second-party data marketplaces aren't new, but second-party data is picking up steam now that so many brands and technology companies have invested heavily in their first-party infrastructure. One advantage to operationalizing on a major independent platform like Adobe is that so many other brands, retailers and organizations have done so as well. This fuels Adobe's second-party data services. An airline promoting new routes to Miami and Hawaii, say, might partner with hotel brands to personalize deals for fliers who travel regularly and stay at those hotel chains. Walled gardens clean rooms feature second-party data products that help target and analyze ad campaigns. But for the open market, Adobe stands out as an independent arbiter of outside IDs and as a platform that thousands other brands have trusted with their ID-resolved first-party audiences.

4 Scalable activation

All the greatest data services in the world are for naught without a way to scale and activate the data in ways that brands actually need. Many point solution CDPs don't sync up with DSPs and other ad tech, for instance, or they focus on digital experiences without incorporating offline data. Adobe doesn't own its own people-based ID profiles - there are plenty of those on the market already. What that means is all those vendors and platforms are eager to plug into Adobe. Only a few walled garden players can offer identity data at even close to the scale that digital marketers enjoyed with online third-party data. Adobe bridges that scale gap with our first-party data infrastructure, including many customers already opted into second-party data services, and the ability to leverage outside people-based IDs on behalf of our customers.

Key takeaways

Not all cookies are dead.

"Cookieless" is an inexact term. Since third-party cookies and other aggregated IDs are being phased out of digital marketing, first-party cookies and logged-in IDs are the way forward. Third-party cookies are mostly dead. But first-party cookies and their value to brands are mostly intact. The new Apple ITP policies create a seven-day lifespan for client-side cookies. But that's the primary impact for first-party analytics using Adobe CNAME data collection.
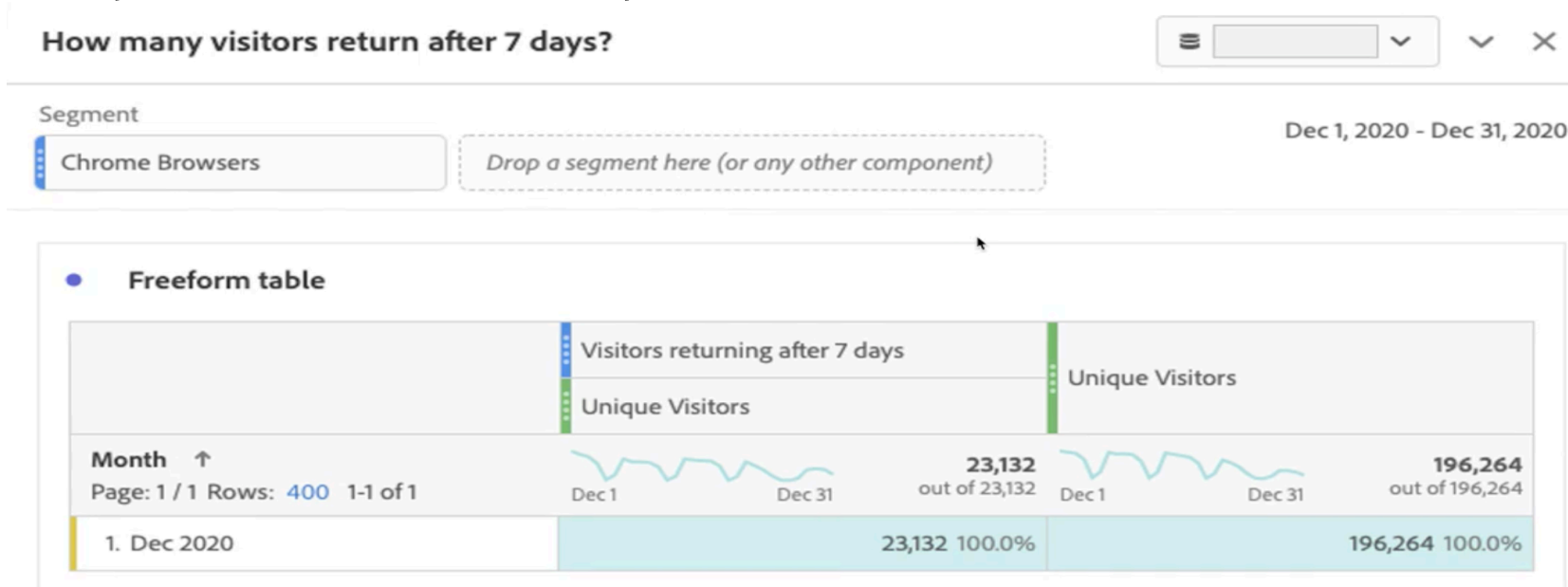
So what can brands and advertisers do to mitigate and even take advantage of these changes?

Assess the impact in Adobe Analytics.

Create a segment to see how many visitors are using ITP platforms.
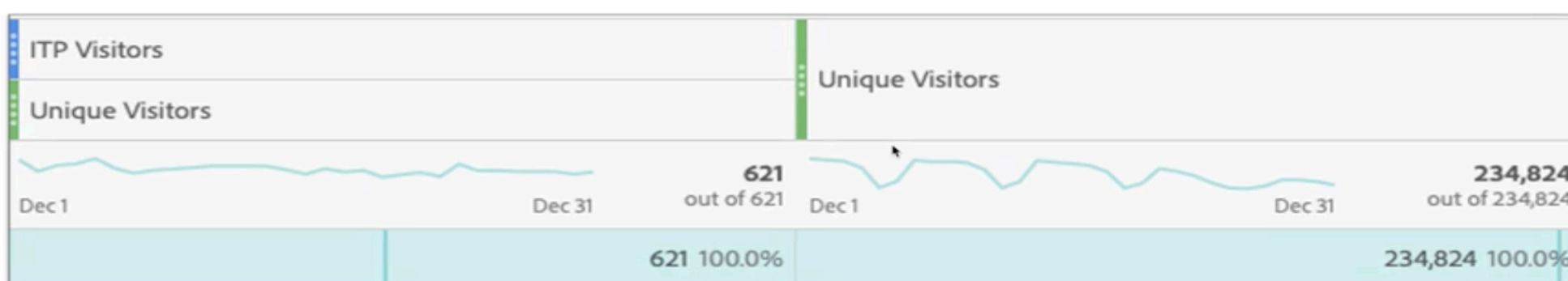
Then, evaluate how many visitors return after 7 days using Chrome visitors or ITP data before cookie lifespan was limited at 7 days.

For more details on these strategies watch: Identity Crisis & Opportunity: The Future of Data Collection - E170

Rethink an identifier strategy and drive authentication.

Using durable data and IDs, communicate a value exchange to customers in exchange for consent to use identity data like an email address. Users submitting and verifying identity data like an email or phone number - is the new "conversion". Former digital metrics like click-through rates or raw traffic numbers should be shelved as first-party authentication becomes the goal.
Authentication - users submitting and verifying identity data like an email or phone number - is the new "conversion". Former digital metrics like click-through rates or raw traffic numbers should be shelved as first-party authentication becomes the goal.

Glossary

First-party data: is data about customers that an advertiser owns. These data points commonly include personally identifiable information on a customer, website browsing behavior, purchases, demographic information, and other data points customers shared with the advertiser directly.

Second-party data: is first-party data that a publisher or advertiser shares with a different company via a data management platform (DMP) or another controlled environment. Retailers and brands carried in their stories often create second-party data pools, by matching seeing which customers overlap and targeting them with personalized deals. An airline and hotel company might form a similar second-party data partnership.

Third-party data: this is aggregated or shared data that's often collected via tags or used by vendors on behalf of a publisher or brand. Third-party cookies are the classic example, and most relevant to this report.

CDPs – Customer data platforms: CDPs are often described as the next iteration of DMPs, but this is incorrect. Rather, the CDP supports an existing audience targeting strategy with supplemental non-cookie-based data, by centralizing first-party and customer data in one place. Walled garden: It is a closed ecosystem in which all the operations are controlled by the ecosystem operator.

Clean rooms: new marketing data hubs where walled garden data can be matched and analyzed without exposing individual user data. Google, Facebook and Microsoft are developing clean rooms where data is abstracted to a non-user level, and used for targeting and measuring campaigns. The largest independent tech companies, such as Adobe, as well as data-centric agency teams are early partners in these clean rooms.

Identity vs Identifier: The **identity** of a user is all of the information about that user, bundled together into a profile. Identity is a distinct concept from identifiers — such as cookies, hashed email addresses, website logins, mobile device IDs, and similar identifiers in connected TV (like Roku or Amazon's Fire TV).

Identity resolution is the process of connecting those **identifiers**, many of which refer to the same person, or connecting the identifier to other information on an individual, like data assembled at the household level.

Identity resolution is made possible by cross-device **identity graphs.**