
Media Kitchen
The Cookieless Future

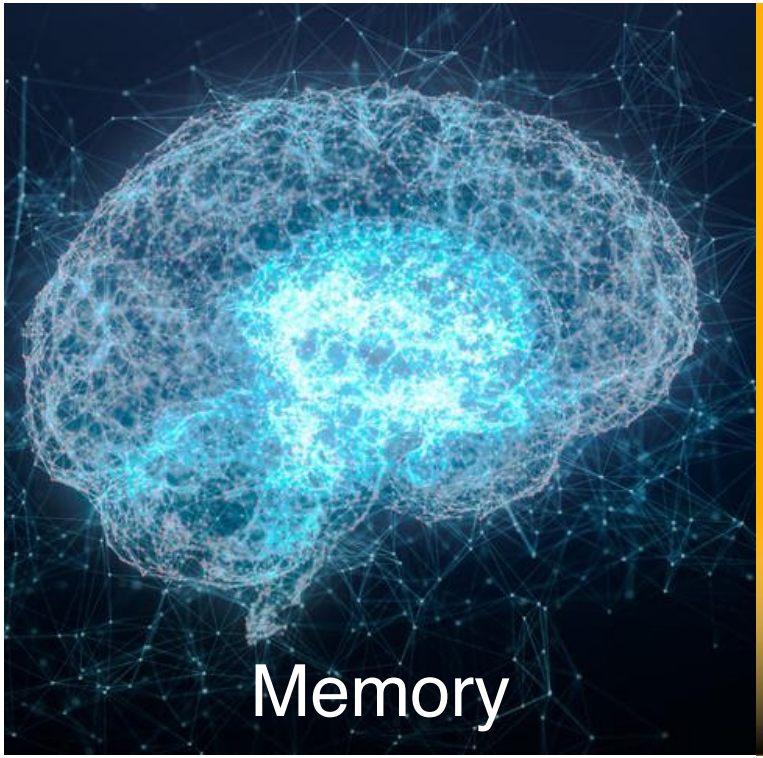
Understanding cookies and their upcoming demise

What are cookies?

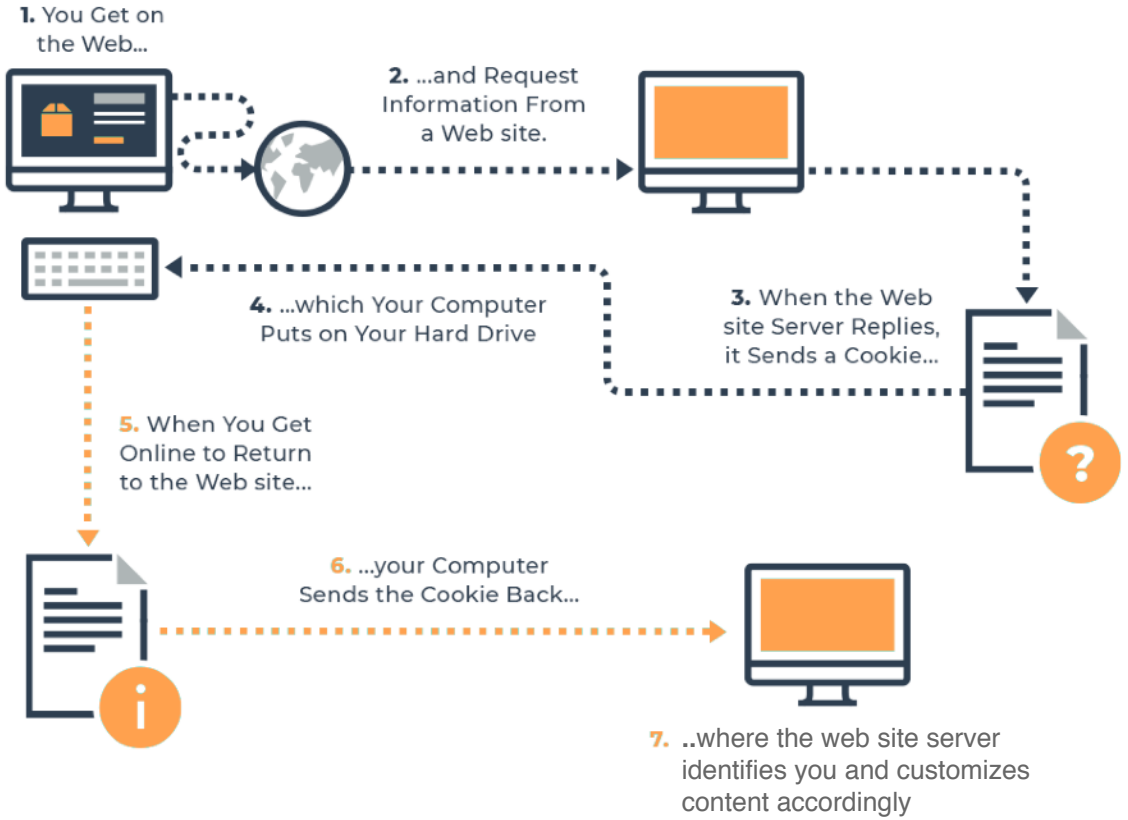
A small piece of data sent from a website and stored by the user's web browser while browsing.

Est. 1994

Cookies provide web sessions context



How are cookies “set?”



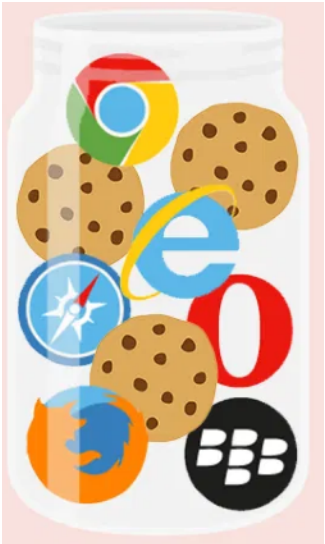
Why are cookies important?

Consumer experience

Login

Customization

Experience



Marketing applications

Ad targeting

Ad measurement

User tracking

Third party cookies will be blocked

	FIRST PARTY COOKIES	THIRD PARTY COOKIES
Who places them?	*The browsed website's server or JavaScript on the website itself*	**Any 3rd party via code placed on the browsed website**
Where can they be read and used?	***ON A SINGLE WEBSITE*** *(The first party domain it originated from)*	**AROUND THE WEB (Any site the 3rd party code is present)**
Can they be blocked?	*Yes, but not by default in any browser. They can be blocked and deleted by users, but it is not recommended as it may negatively affect or restrict site functionality.*	**Yes, by using private browsing, ad blockers, and browsers (default setting on Safari, Firefox now, with Chrome joining in 2022)**

Why are third-party cookies being phased out?

How did the cookie crumble?

JANUARY 2016
Brave launched

APRIL 2018
Google announces death of DCID

SEPTEMBER 2018
ITP 2.0

MAY 2019
Google announces Privacy Sandbox

JANUARY 2020
CCPA goes into effect

MAY 2020
Safari blocks all 3rd party cookies

SEPTEMBER 2017
ITP 1.0 - Safari begins to block 3rd party cookies

MAY 2018
GDPR goes into effect

2019
ITP 2.1. 2.2, 2.3

SEPTEMBER 2019
Firefox blocks 3rd party cookies by default

FEBRUARY 2020
Chrome SameSite blocking rolled out, rolled back in response to COVID-19

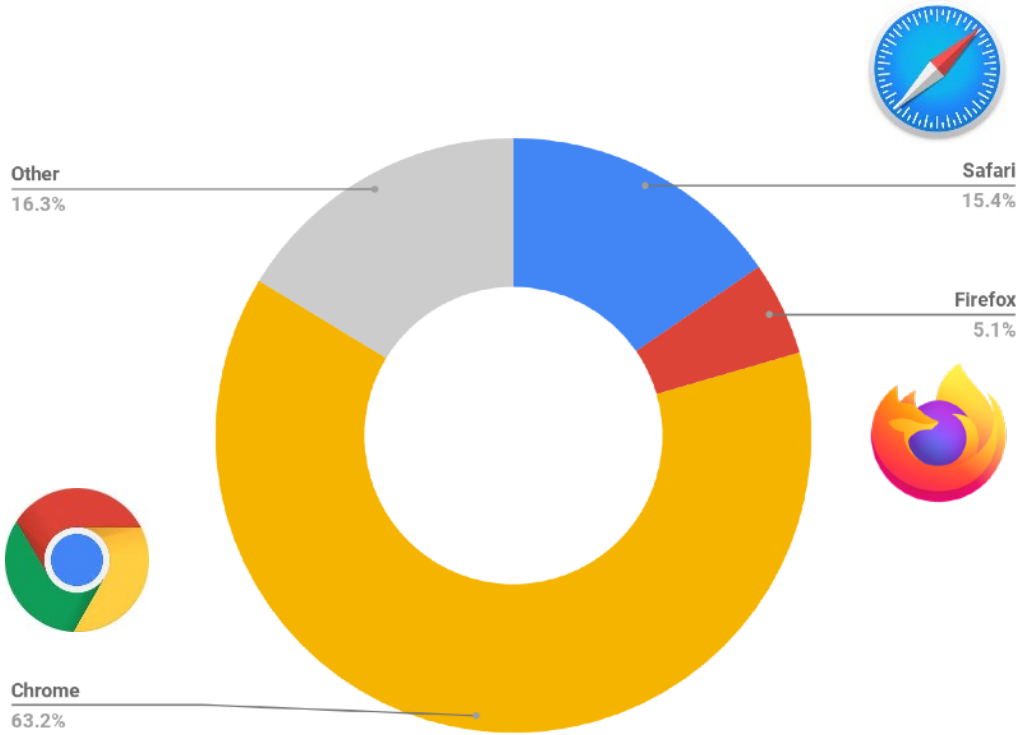
FEBRUARY 2022 (estimated)

Chrome will block 3rd party cookies by default

Chrome is the end of the road for third-party cookies

4 in 5 users worldwide will be affected by browser privacy.

Safari, Chrome, and Firefox are all in some stage of planning or releasing new and enhanced privacy features. Together, these browsers account for **83.7% of browser market share worldwide.**

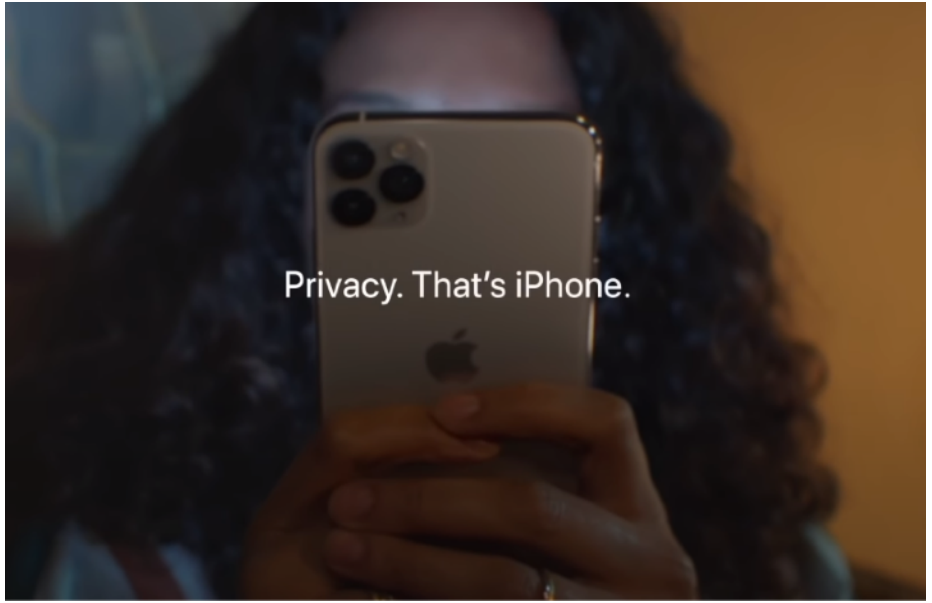


Source: *Digital Privacy in a Post Cookie World, Mighty Hive*

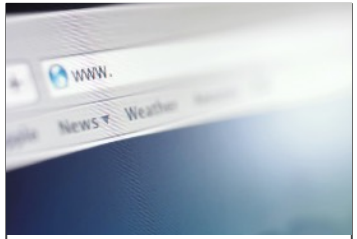
Why is Google taking action?

The rising tide of regulators, privacy advocates, and consumers

Competition



Assessing the impact across the ecosystem



Web Browsers

Walled Gardens

The Data Landscape

Measurement

Media Planning & Buying

Web Browsers


Cookies start with browsers

Who’s baking and who’s breaking?

VS

A safe, ad-supported web

A safe, private web

A tale of 2 business models

Google Marketing Platform

Display & Video 360
Search Ads 360
Analytics 360
Data Studio
Optimize 360
Surveys 360
Tag Manager 360

Campaign Manager

Google Ads

VS


It's led to browser
walled gardens


What happens when Chrome kills cookies?

Google is taking time (~2 years) to get it right

Google Marketing Platform

Display & Video 360
Search Ads 360
Analytics 360
Data Studio
Optimize 360
Surveys 360
Tag Manager 360

Campaign Manager

Google Ads

Google's business model and publishers are riding on this

Chrome’s solution: The Privacy Sandbox

The Privacy Sandbox project’s mission is to
“Create a **thriving web ecosystem** that is respectful of users and private by default.”

Users
Free access to information and great content

Publishers
Fair compensation for their work

Marketers
Access to users who care about their goods/services

What is a Privacy Sandbox?

After initial dialogue with the web community, we are confident that with continued iteration and feedback, privacy-preserving and open-standard mechanisms like the Privacy Sandbox can sustain ***a healthy, ad-supported web in a way that will render third-party cookies obsolete.***

Once these approaches have addressed the needs of users, publishers, and advertisers, and ***we have developed the tools to mitigate workarounds****, we plan to phase out support for third-party cookies in Chrome.* ***Our intention is to do this within two years.*** *But we cannot get there alone, and that's why we* ***need the ecosystem to engage*** *on these proposals. We plan to start the first origin trials by the end of this year, starting with* ***conversion measurement and following with personalization.***

- *Justin Schuh - Director, Chrome Engineering (January, 2020)*

- Private Sandbox will ideally replace cookies and solve privacy and transparency issues
- Two years are needed to develop solutions, test, and close loopholes
- Need to collaborate across the ecosystem
- Starting with solutions to the most basic cookie applications


Not necessarily a
better mousetrap, but a more
private one.

What the sandbox is and what it is not

The sandbox is:

- A set of standards to protect privacy while still providing a level of support to publishers and advertisers
- Privacy-preserving APIs built-in to Chrome
- Purpose-built replacements for lost cookie functionality

It is not:

- Agreed upon by every party
- Applicable outside of Chrome
- Very useful right now, just proposals

Early sandbox proposals: 3 tracks

Track 1: Replacing Functionality Served by Cross-Site Tracking (3rd Party Cookies)

- Trust Token - Detecting fraud and spam
- Click-Through Conversion Measurement
- Interest-Based Targeting with Federated Learning of Cohorts (FLOCs)
- TURTLEDOVE - Remarketing
- WebID - Identity Federation

Track 2: Removing 3rd Party Cookies

- SameSite Cookie Update
- First Party Sets

Track 3: Stopping workarounds

- Privacy Budget

What to watch for in the sandbox conversation

- New proposals are released to the public on Github and publicized in trades
- Cooperation, collaboration, and confrontation between browsers and ad tech
- W3C committee: Improving Web Advertising
- Any consensus growing between different browser stakeholders

But will there really be standards?

Google Marketing Platform

Display & Video 360
Search Ads 360
Analytics 360
Data Studio
Optimize 360
Surveys 360
Tag Manager 360

Campaign Manager

Google Ads

VS

Regulators may be the biggest reason to be hopeful

Analysis

Google's Move to Restrict Web-Cookies Signals Need to Re-think Post-Regulatory Internet

Google recently announced it would be removing third party cookies from its Chrome browser, which may be only the only the beginning of a quiet revolution in the way the online economy functions.

By **Frank Ready** | January 27, 2020 at 11:00 AM

Walled Gardens

Why are walled gardens important?

Why are walled gardens poised to succeed?

Walled gardens can use this opportunity to punch down

The ad tech ecosystem used Google's campaign manager as a provider of the critical "data bed" required for operation due to their immense data collection capabilities and reach

Google's ad-server Campaign Manager has used privacy concerns to remove critical ID elements from their data transfer files, leaving other partners that rely on it in a lurch.

Did Google Just Kill Independent Attribution?

by AdExchanger // Monday, May 7th, 2018 – 12:06 am

Share:

"Data-Driven Thinking" is written by members of the media community and contains fresh ideas on the digital revolution in media.

Today's column is written by Martin Kihn, research vice president at Gartner.

Martin Kihn,
Research Vice President
Gartner

Data-Driven Thinker

In a muted squib released last week, Google signaled it would no longer include user IDs with log files from its industry-leading ad server.

This move was done in the name of privacy but is part of a multiyear strategy to draw up the bridges between Mountain View and the rest of the world.

And punch each other in a privacy arms race

Apocalypse Soon: What happens when the iOS advertising ID is deprecated?

Posted on February 17, 2020 by Eric Benjamin Seufert

Not only 3rd parties are vulnerable

Facebook Is Killing Off Its Web Supply In Audience Network – And Don't Be Surprised If It All Shuts Down

by Allison Schiff // Wednesday, February 5th, 2020 – 4:46 pm

Share:

Facebook said Wednesday it will nix mobile web publishers from Audience Network in order to exclusively focus on apps.

Beginning on April 11, Audience Network will no longer fill any ad requests to web and in-stream placements. Facebook warned that campaign performance may fluctuate during the phase-out period. Read Facebook's post on the change here.

But why make the move now?

Facebook is reading the writing on the wall, and the writing says: Third-party cookies are finally on death watch. The final nail came when Chrome said it will stop supporting third-party cookies by 2022.

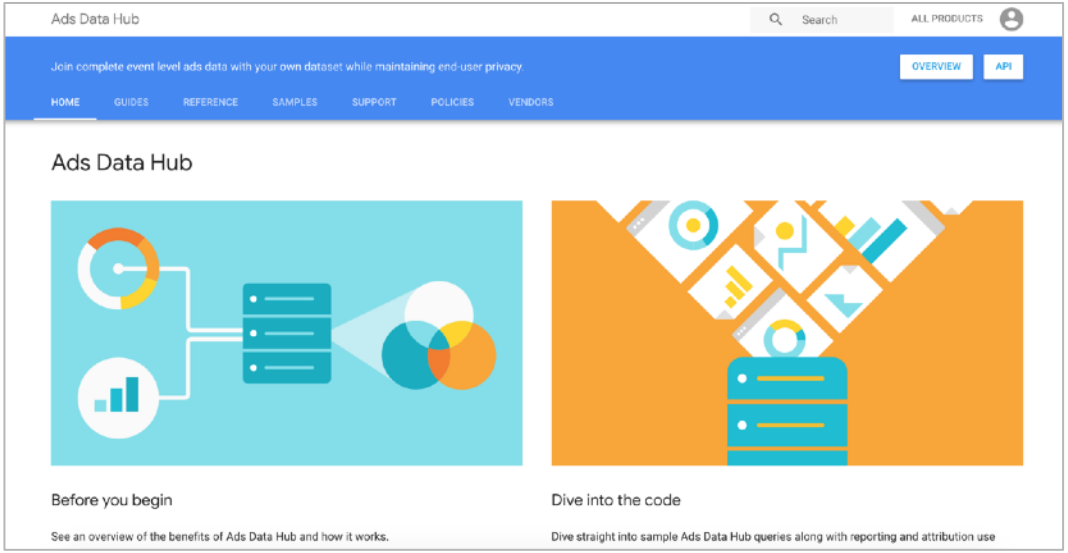
Apparently this is the Audience Network logo. Who knew.

What does this mean?

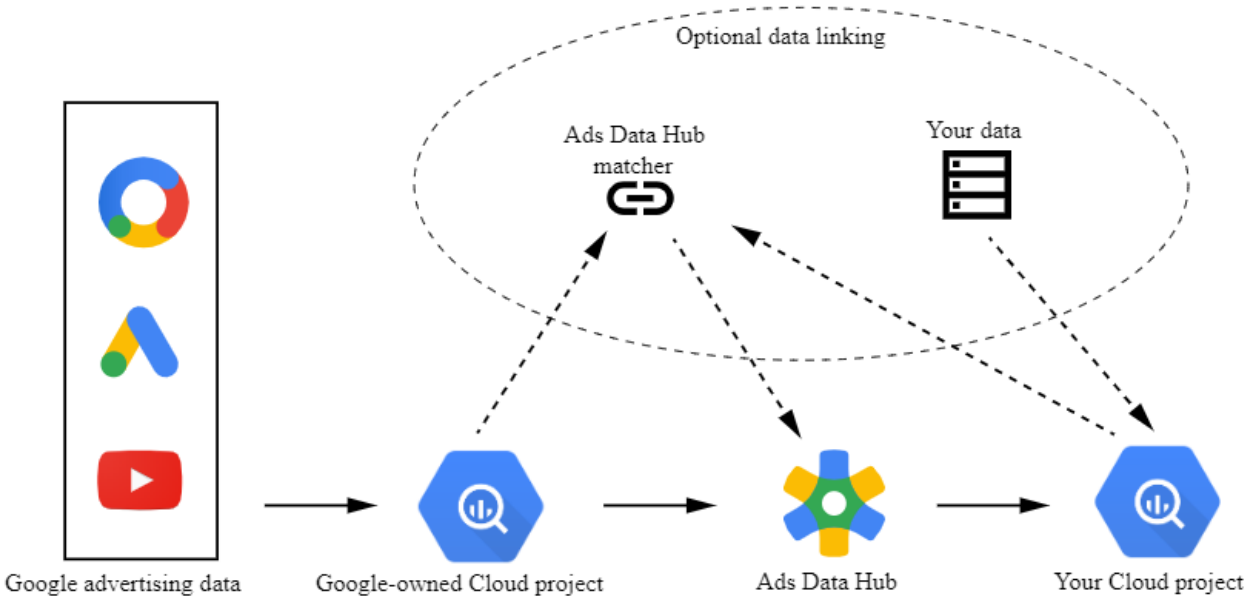
Solving for walled gardens and cookie reliance may require partner environments for modeling

While walled gardens have been hesitant to allow direct data sharing with outside environments (e.g. allowing MTA providers to collect user-level) , they have been more open to data sharing within their own environment

For example, Google introduced **Google Ads Data Hub**



A clean room for connecting Google ads data to 1st-party



Why are clean rooms potentially important?

Google will pass Google ID log files outlining event details per impression that can be keyed back to user identifiers

- With end of DCM ID, this is the only way to access **aggregated** customer level data within Google

- With introduction of other 1st and 3rd party performance data sets, attribution analysis **may be possible**, within privacy restrictions

Early considerations regarding clean rooms

Fragmentation

Ideally, advertisers would have one clean room to collect all their data. Unfortunately, without an independent player and buy-in from all partners, clean room analysis may be biased towards its owner

amazonadvertising

FACEBOOK

Google

Limited portability

While data can be brought into clean rooms, it cannot be exported from the environment.

Technical skills required

Data is only accessible via queries and data must be standardized before porting over. “Clean room services” may emerge as a new ad tech specialism.

habu

The Data Landscape

1st Party Data

There are many forms of 1st party data:

- Data from behaviors or actions taken across your website, app, and/or product
- Data in your CRM
- Data from your subscription-based emails or products
- Data from surveys
- Data from customer feedback
- Company lists

With the removal of 3rd party cookies, some forms of 1st party data will be impacted, while others will remain in tact.

- CRM data becomes ever more important, especially in use cases where it can be mapped directly for targeting or measurement purposes.

What is 3rd party data?

Third-party data is information that's **collected by an entity that doesn't have a direct relationship with consumers**.

For example, a third-party data provider might pay publishers to let it collect information about their visitors, and use it to piece together detailed profiles about users' tastes and behaviors as they move around the Web.

We can use this data to develop personas for targeting across paid media such as "active investor", "foodie" or "traveler" **based on browsing history and content consumption**.

This often comes in the form of **cookie information** they can use to target and track specific users.

What happens to 3rd party data without 3rd party cookies?

In order to remain competitive, 3rd party data providers will be forced to focus on new sources of data such as:

- Registered users
- New aggregation solutions
- Device based identifiers
- Contextual intelligence

“Without third-party cookies, we are only left with per-domain identifiers using first-party cookies, and it becomes impossible for third parties to set or recognize any form of shared or universal ID across domains—for any Purpose”

-Jordan Mitchell
IAB Tech Lab, Senior Vice-President

“They'll be replaced by something else equal, if not better, in helping us target those individuals appropriately and provide them the right content.”

-Rob Tarkoff
Oracle, Executive VP

*https://digiday.com/media/what-is-third-party-data/

How are 3rd party data providers planning for the future?

Audience Creation

- CPG Loyalty Cards
- Retail Purchases
- Auto Purchase
- Demographics
- Online Behavioral

80%+ of the ODC audiences that clients use are built with offline data

Oracle Data Cloud Propriety Identity Graph

Offline identifiers are already used to connect into much of the digital eco-system

Audience Delivery

- Social Platforms
- Commerce Platforms
- Streaming Audio & CTV
- Mobile Apps
- Desktop & Mobile Browser

What does this mean for...?

Walled Gardens

amazon

Data Providers

Adobe Analytics

Adobe Audience Manager

acxiom

Buying Platforms

theTradeDesk

verizon

Publishers

COMCAST NBCUNIVERSAL

The New York Times

WSJ

Walled Gardens

The walled gardens are in a unique position with the **removal of third party cookies**.

Paid Media Tactics

Remarketing

Prospecting

How are paid media tactics impacted?

Owned and operated properties, like Amazon, IMDB, Facebook & Instagram, will not be impacted **within their walled gardens environments**.

The ability of these providers to **execute outside of O&O** is still in question as we look ahead to the removal of third party cookies and as **privacy regulations** are reviewed over the next 2 years.

How will advertisers need to adapt?

Activate **CRM** to deterministically match to walled garden and publisher CRM for accurate and effective targeting, retargeting and predictive modeling

Data providers: Adobe

Adobe is the krux of many client's **first party data** from a paid media perspective, through Adobe Analytics and Adobe Audience Manager.

Adobe Analytics

Paid Media Tactics

Site Remarketing

CRM Activation

IAL Activation

Global Frequency Cap

How are paid media tactics impacted?

Display remarketing today is **entirely dependent upon the usage of third-party cookies**, including the availability of various advertising network cookies for synchronization.

Global frequency capping for paid media across channels will become nearly impossible.

How will advertisers need to adapt?

Work through onboarding their first party data through **Adobe's CRM Onboarder**.

Investigate the opportunity of **capturing hashed email ID** for prospects and onboarding data.

Potential to use **People Based Destinations** through email and paid social to allow for ID matching*

Ensure all **Adobe Analytics implementation** is set as 1st Party

Buying platforms: The Trade Desk

The Trade Desk, as an omni-channel DSP, represents the core of the **data-driven programmatic strategy** for many advertisers.

Paid Media Tactics

Site Remarketing

Prospecting

How are paid media tactics impacted?

The Trade Desk has been developing solutions to prepare for a cookieless environment over the past few years, as their build up the **library of first party TTD IDs**.

Looking ahead to 2020, these advancements include Koa (optimization) for cookieless reach and frequency capping for cookieless environment - **all based on probabilistic modeling of TTD's universal ID**.

How will advertisers need to adapt?

Continue to leverage TTD's capabilities via their **Universal ID** where possible

Focus spending on walled garden DSPs (Verizon, Amazon etc) to **increase addressability**

Buying platforms: Verizon

With a wealth of 1st party identifiers within Verizon Media, Verizon will focus on **persistent identity, privacy protection and consumer controls** as we look ahead to holistic privacy solutions.

Paid Media Tactics

Remarketing

Prospecting

How are paid media tactics impacted?

Verizon will **incentivize consumers** through experiences, subscriptions and transactions to increase their collection of 1st party data.

In areas of audience blind spots, marketers will have to tap into more **contextual-based targeting** for inferred audience reach

O&O publisher properties allow for a direct ability to make technical updates. Owned gated content can require opt-in user data in exchange for access.

How will advertisers need to adapt?

Activate **CRM** to deterministically match to Publisher CRM for accurate and effective targeting

Focus on **contextual signals like content, location etc.** that can be leveraged within Verizon's ecosystem without the use of third party cookies

Leverage **measurement solutions** within Verizon ecosystem to capitalize on Verizon 1P cookies

Publishers: An emerging data story

Still trying to figure it out

Publishers are still trying to figure out how to navigate a cookieless world - they tend to have a blanket goal of driving registrations or data capture, but don't have a plan or roadmap for how to do so.

WSJ

Laying the groundwork

Have or are in the process of building out a 1P data infrastructure, with various degrees of data capture.

The New York Times

Leveraging parent company data

Entities are leveraging their parent companies data, that is aggregated across multiple properties and leveraged for audience targeting.

COMCAST NBCUNIVERSAL

Without cookies, we should focus on independent data sources

Contextual Alignment

Location

Company Registration Data

Hashed Emails

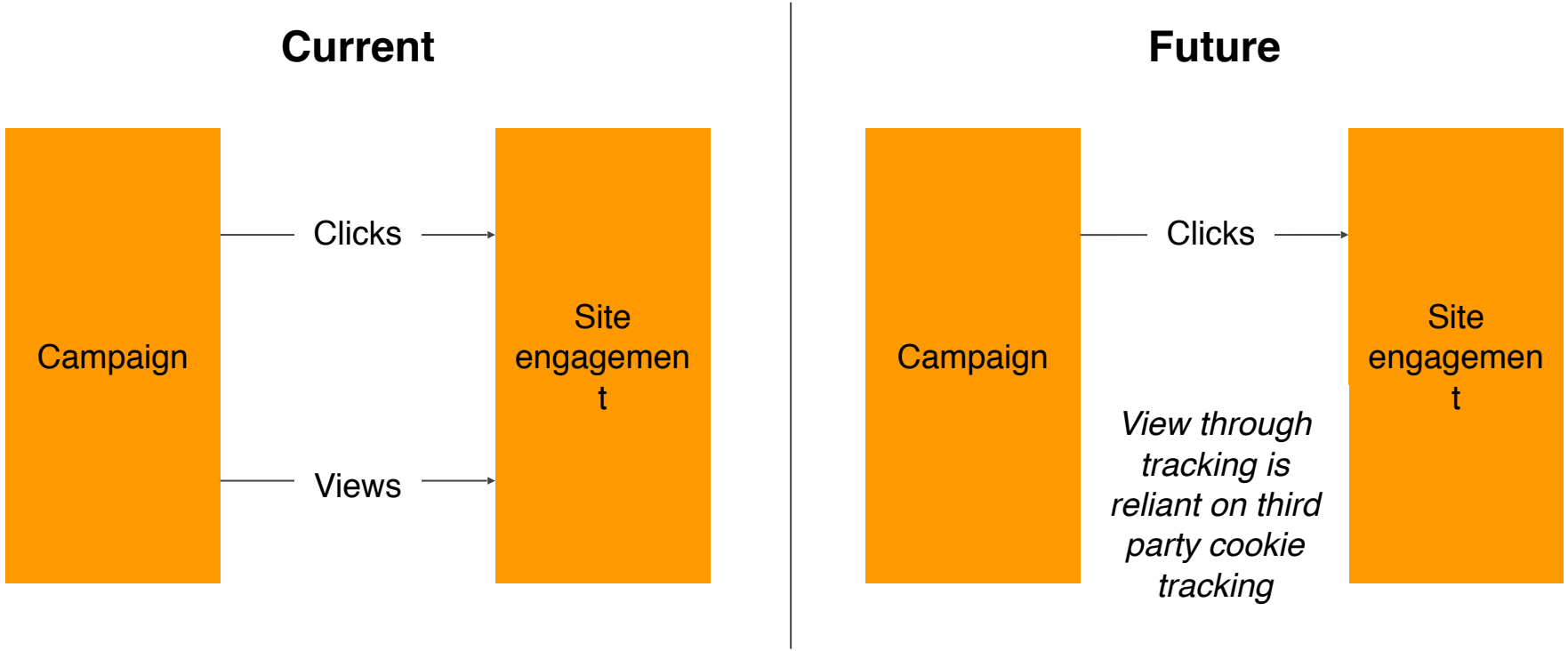
Device IDs

Measurement

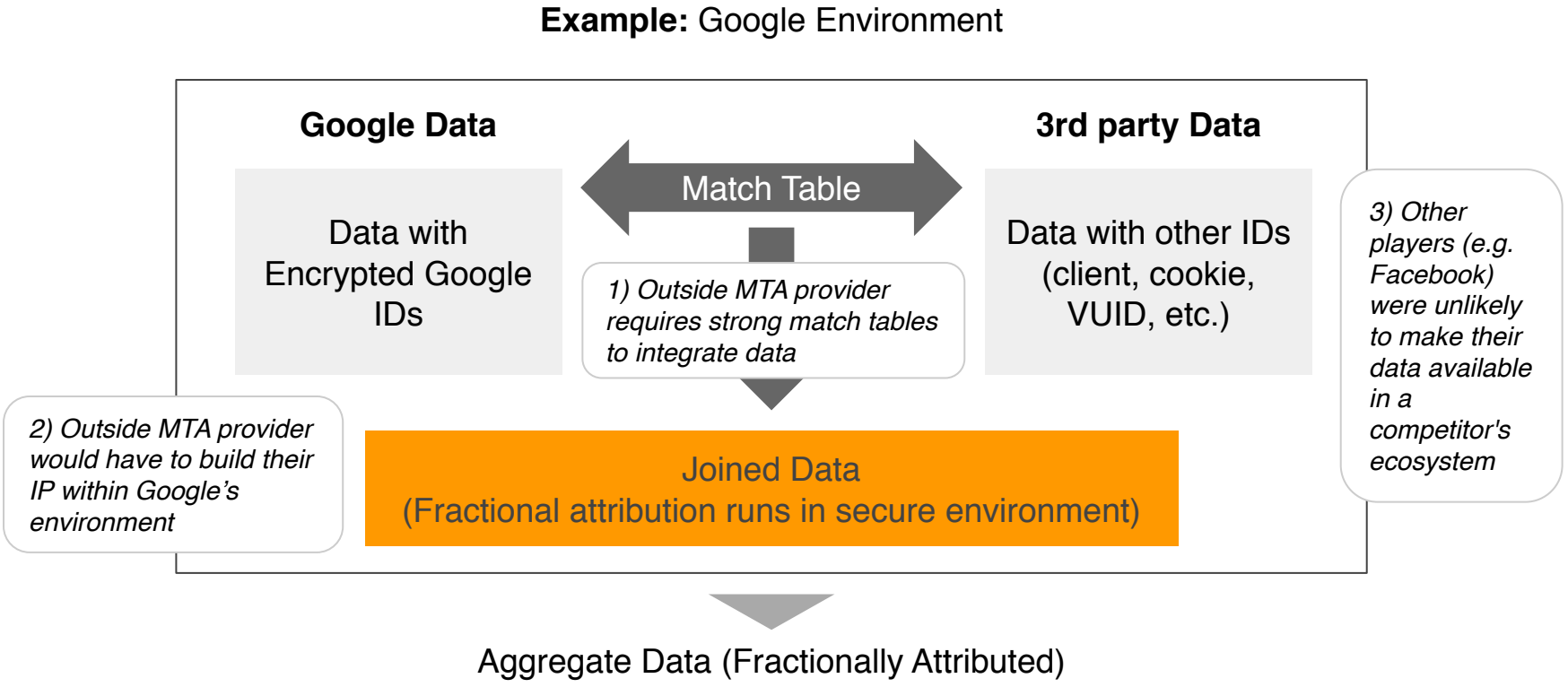
The Challenge:

If cookies start going away, how can we measure our campaigns?

Though engagement scores and site activity are measured in Adobe Analytics, ad exposure tracking is still reliant on third party cookies

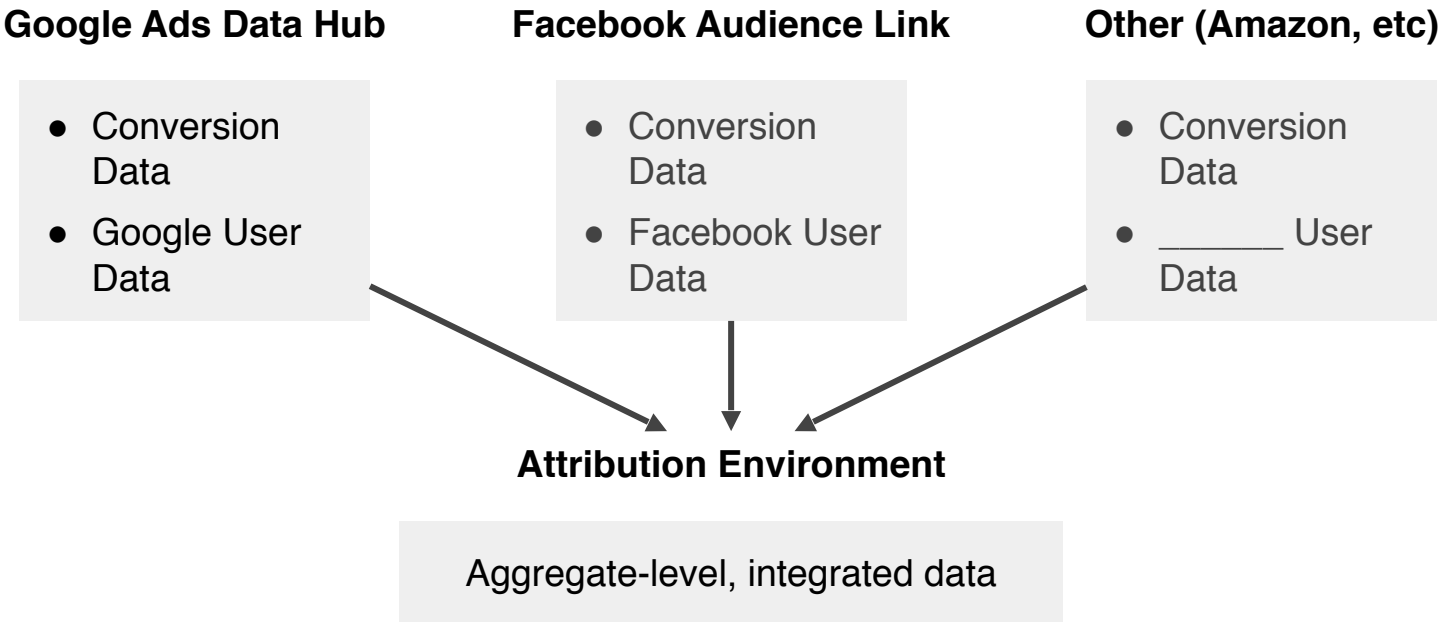


One response being planned is the use of server to server data integrations



The number of data integrations, their accuracy, coverage and partners' ability to combine them will together determine success

Measurement platforms are establishing integrations with all major walled gardens, combating cookie dependence all while maintaining privacy and adhering to data governance frameworks



One alternative approach is to use more statistical modeling in combination with MTA techniques: unified analytics

Deterministic → Statistical

MTA

- Disadvantaged by increasing restrictions
- Forced to adapt by changing processes

visualIQ

Unified analytics

- Balanced set of techniques combining deterministic and statistical

ANALYTIC PARTNERS

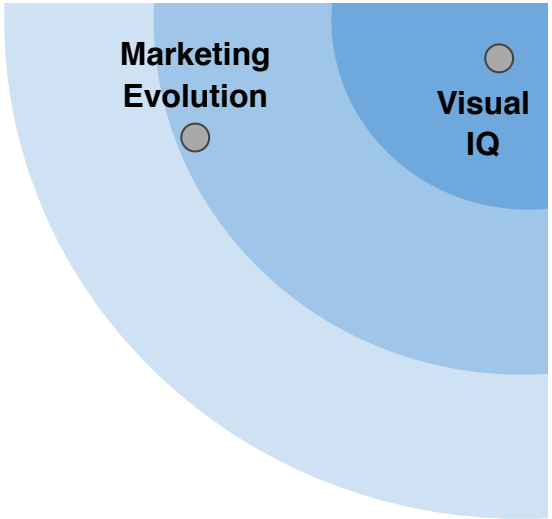
MMM

- Largely unaffected by changes, since data is by definition aggregated in a MMM

nielsen

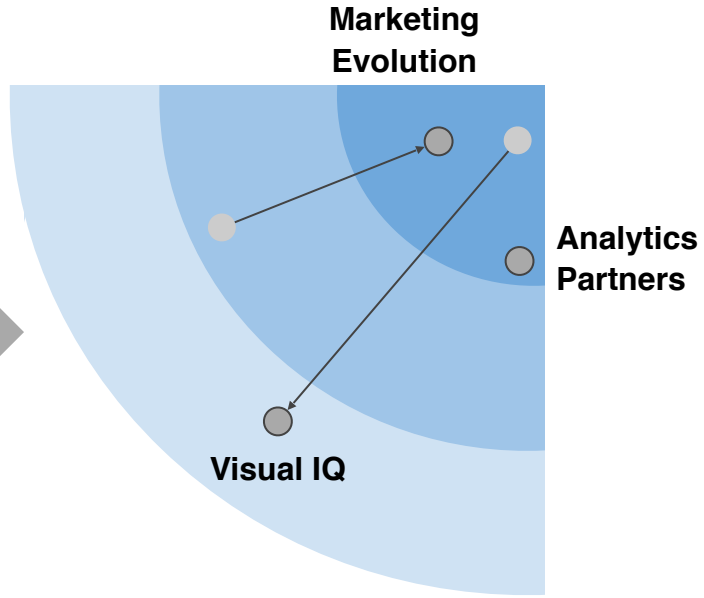
Unified analytics providers becoming more highly considered

Forrester quadrant: 2014



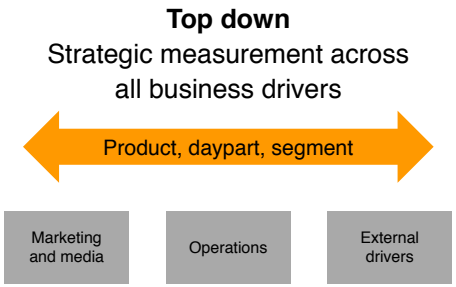
Over the past five or six years, pure **MTA** approaches have become less useful and the industry has moved in favor of **unified analytics**

Forrester quadrant: 2018



Source: Forrester

Unified measurement example: IPSOS MMA



DMA level modeling: overall program impact

- Impact of all marketing touchpoints over 2-3 years
- Quantification of all operational factors
- Longer term brand and halo effects measured and valued
- Will provide both the base and incremental contribution of all drivers
- Holistic optimization against business targets, planning cycles

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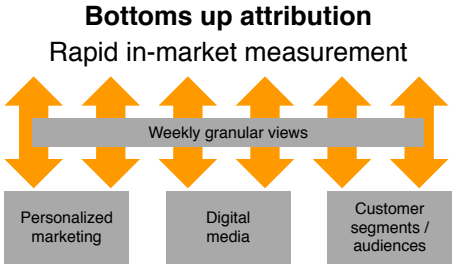


Customer real time attribution

- In-market value of all paid and owned marketing touchpoints on new and existing customers
- Touchpoint and media optimization: partners, audiences segments
- Customer journey insights: triggers, closers
- Drivers of LTV and customer engagement in score card / drivers of new customers and existing segmentation growth

Source: Ipsos MMA

Media Planning & Buying

How does our work change?

- Should we plan for multiple environments?
- How do we pick publisher partners?
- How do we forecast against target audiences and measure reach?
- Can we still measure frequency and reach?
- How do we best invest our resources moving forward?

Should we plan for multiple environments?

In order to combat the reduction of third party cookies, do we adjust strategic planning to **adapt to the fragmentation**?

Browsers

Environments

Walled Gardens

How do we pick publisher partners?

When considering publishers to partner with, we evaluate two different criteria. How will these criteria evolve without third-party cookies?

No Change: Contextual Relevance

The ways we leverage contextual targeting will remain largely unchanged - partner selection will be more focused on the types of content and context our message will surround, which we don't anticipate changing in a cookieless world.

Revised Approach: Targeting Capabilities

We will now need to shift our focus on leveraging partners who have proprietary 2nd party data that they collect, which allows them to segment targeting without leveraging 3rd party cookies. This largely comes in the form of registration targeting.

Without cookies, can we forecast audiences and measure reach?

In the absence of third party identifiers for matching across environments and publishers, forecasting, reach measurement and the ability to frequency cap is limited.

- All data must be based on solely on **1st party identifiers**
- Reach and frequency can only be managed **within walled gardens** and publisher environments
  - Campaign wide frequency caps will no longer be possible
- True campaign reach and frequency is impossible to measure

How should we be investing our resources?

The lack of third party cookies fundamentally changes how we think about media planning as we look ahead to 2022 and beyond.

Talent

CRM Advancement & Activation

Non-Cookie Based Targeting

Identity Solutions

A Post-Cookie World

Closer to today's reality than two years away

User behavior has already evolved away from web browsers

- In Q3 2019, users averaged around 5 hours and 10 minutes of daily "online" time across smartphones, tablets, and computers

- The gap between mobile time spent in-app v. the mobile web browser is wide and growing (87/13 split in-app to mobile web in 2020)

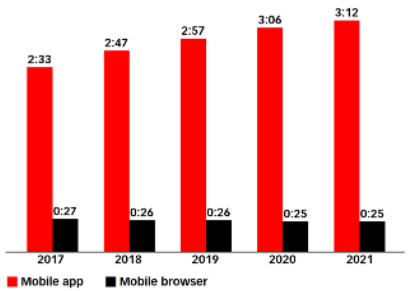
These data points suggest that on average, most users only spend around **70 minutes** daily in cookie-tracked environments today.

Average Daily Time Spent with Select Media/Devices Among US Consumers, Q3 2018 & Q3 2019
hrs:mins

	Q3 2018	Q3 2019
Apps/web on a smartphone	2:31	3:58
Live TV	3:44	3:27
Radio	1:44	1:41
Apps/web on a tablet	0:43	0:52
Internet-connected device*	0:29	0:38
Internet on a computer	0:31	0:32
Timeshifted TV	0:30	0:29
Game console	0:13	0:13
DVD/Blu-ray device	0:05	0:04

*Note: ages 18+; among users of each device/media; some amount of simultaneous usage may occur across devices; *includes smart TV app usage*
Source: Nielsen, "Total Audience Report: Q1 2020" as cited by VentureBeat, Feb 11, 2020
253133 www.eMarketer.com

Mobile App vs. Mobile Browser: Average Time Spent in the US, 2017-2021
hrs:mins per day among population



Note: ages 18+; includes all activities on tablets and all mobile phones (smartphones and feature phones), except for voice calls on the cellular network; includes VoIP apps or video chat apps such as Skype; includes all time spent with nonvoice mobile activities, regardless of multitasking
Source: eMarketer, April 2019
T10156 www.eMarketer.com

We have to stay ahead of the conversation

through research...

our publisher partners...

and our measurement and technology partners.

Questions?

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Media Kitchen
Thank You!