Only 32% of publishers are prepared for the end of cookies

Article





The news: A Teads survey of 555 publishers in 38 countries found that only 32% have begun preparing for the end of third-party cookies on Google Chrome.

 They're not alone: The advertising industry is adjusting its practices at a slow rate. When Google began its transition to the **Privacy Sandbox** earlier this year, the industry cried foul



and said it wasn't ready for the change.

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- Google delayed the end of cookies for a third time last month when UK regulators warned that the <u>Privacy Sandbox didn't meet new privacy standards</u>, giving advertisers their wish.
- But the end (of cookies) is still coming, and advertisers and publishers should <u>use this</u> <u>newfound time to adapt</u>.

The grim publisher picture: The cookie phaseout is likely to have devastating implications for the struggling publishing industry, adding to its list of existential threats that now includes <u>Al</u> <u>summaries in Google searches</u>.

- According to Teads, 45% of publishers expect a "significant" decrease in revenues when cookies disappear. Publishers that are primarily dependent on cookies and Google Search traffic are most vulnerable to the change.
- Outlets like The Verge, Bloomberg, and Dow Jones have begun adapting to the change, either by focusing on building an authentic recurring audience, <u>ditching third-party programmatic</u> <u>ads</u>, or cultivating a pool of data from logged-in subscribers.
- Getting readers to log in is a challenge: Teads found that 70% of publishers said less than 25% of their readership logs in to their sites, which it said was a sign that cookieless solutions that require logins may struggle.

Decision paralysis: Privacy Sandbox isn't the only post-cookie solution on the market. In fact, there are so many others that 53% of publishers in Teads' survey said they feel overwhelmed by the amount of choices.

- That anxiety shows the increasingly decentralized and fractured digital advertising landscape that is emerging as a result of changing privacy and antitrust regulations.
- It also illustrates how entrenched cookies are in digital advertising after being the dominant tracking method for nearly three decades.

Our take: Publishers and advertisers should use the latest Privacy Sandbox delay to work on cookieless plans. While there may be an upfront signal loss or revenue decline during the transition period, companies stand to lose much more if they stumble into the cookieless future unprepared.

 There's good news for advertisers who worry that post-cookie solutions will result in a steep signal loss: Yahoo was able to <u>run successful prospecting campaigns</u>—a targeting method that identifies new consumer cohorts rather than retargeting—using Privacy Sandbox.

Types of Identity Solutions Marketing Professionals Worldwide Consider Most Viable Solution to Deprecation of Third-Party Cookies, Aug 2023 % of respondents			
First-party universal identifiers			
			25%
PMPs/Deal IDs with first-party data			
			20%
Data clean rooms			
		17%	
Contextual only			
	15%		
Seller-defined audiences			
12%			
Cohort solutions (such as Privacy Sandbox)			
10%			
Note: numbers may not add up to 100% due to rounding Source: ID5, "The State of Digital Identity 2023," Oct 31			
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