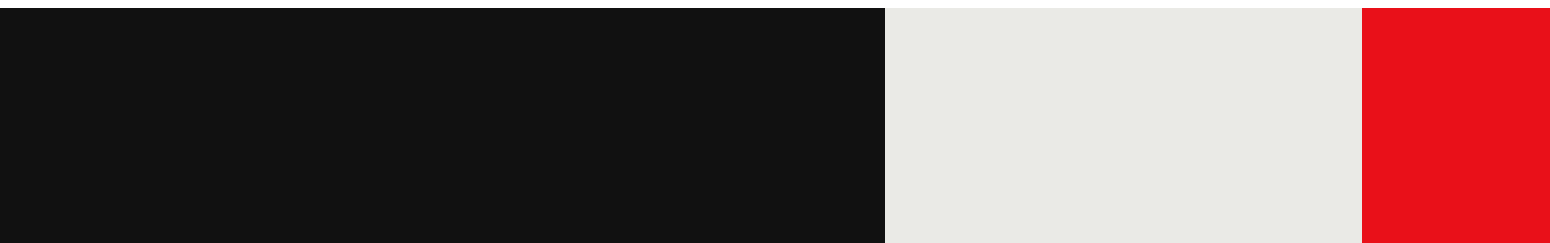



5 charts on how third-party cookie deprecation will change ad buys

Article

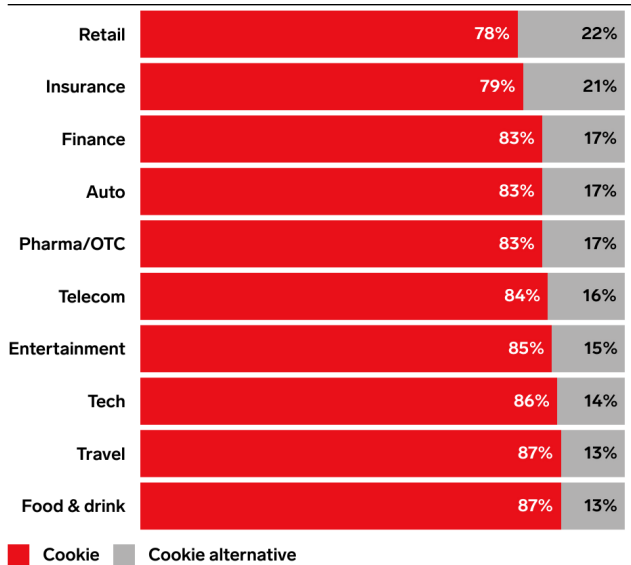


Cookie deprecation is coming, and EMARKETER analysts are confident Google won't push back its deadline again. Marketers should be preparing for now. Here are five charts on how the loss of cookies is impacting the industry.

1. Most advertisers are still relying on cookies for their programmatic buys

As of Q3 2023, Cookied Inventory Still Accounts for Most Programmatic Activity

% of total US programmatic ad buys, by industry



Note: represents activity on the 33Across platform; broader industry metrics may vary
Source: 33Across, "Programmatic Cookie Alternative Trends Report: Q3 2023," Nov 2, 2023

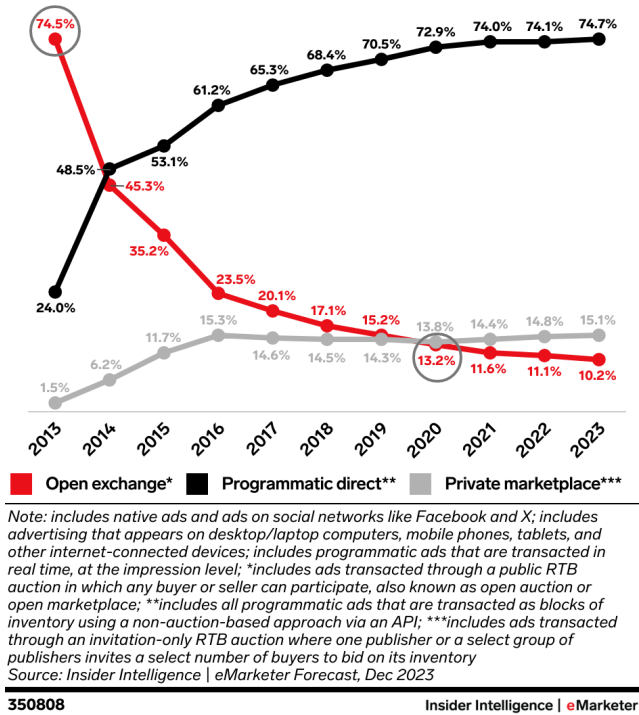
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More than three-quarters of US programmatic ad buys in 10 industries relied on cookies in Q3 2023, per November 2023 data from 33Across. Less than two months later, Google deprecated Cookies for 1% of Chrome users worldwide. Advertisers should avoid waiting for Google to reach its deadline and instead focus on testing alternatives like attention-based metrics, activating first-party data, and contextual advertising.

2. Cookie loss won't affect advertisers' preferred transaction methods

In Less Than a Decade, the Open Exchange Went From Most to Least Popular Transaction Method
 % of US programmatic digital display ad spending, by transaction method, 2013-2023



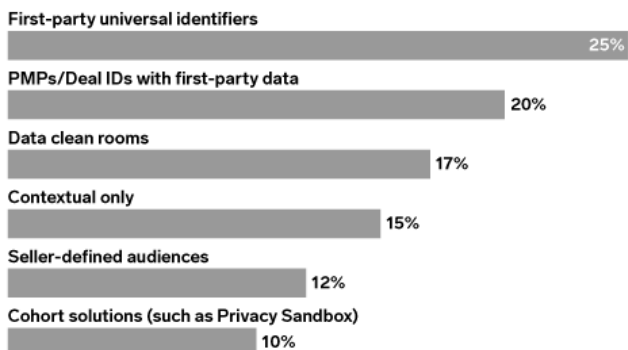
In 2013, open auctions were the most popular transaction method, accounting for nearly three-quarters (74.5%) of the programmatic display market. In the decade since, its share has dropped to 10.2% as advertisers rely increasingly on private marketplaces and direct platforms such as social media channels and retail media networks.

As they refocused strategies around first-party data, programmatic advertisers invested more in closed and private ecosystems, which reduce hidden fees, minimize the risk of data leakage, and lessen carbon usage.

3. First-party data is the next-best solution

Types of Identity Solutions Marketing Professionals Worldwide Consider Most Viable Solution to Deprecation of Third-Party Cookies, Aug 2023

% of respondents



Note: numbers may not add up to 100% due to rounding
Source: ID5, "The State of Digital Identity 2023," Oct 31, 2023

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A quarter of marketing professionals worldwide believe first-party universal identifiers are the most viable solution to cookie deprecation, according to August 2023 data from ID5.

As alternative ID solutions become more critical, competition for first-party data has intensified. Solutions that rely on first-party data, however, favor large brands with vast data sets, while smaller players may be forced to shell out big investments to take the same approach.

4. Ad budgets favor contextual and first-party data

Average Budget Allocation Across Data Types for Targeting in 2024 According to US Advertisers, Nov 2023

% of budget



Source: Proxemic, "2024 State of Programmatic Report," Jan 16, 2024

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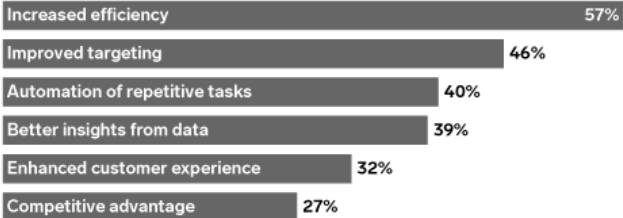
US advertisers say 28% of their targeting budget is put toward contextual data, while 27% is for first-party data, per a January 2024 report by Proxemic.

A different report from Proximic found that 54% of US marketers planned to increase their use of contextual data in 2023. But contextual targeting needs to be enhanced with AI and other behavioral tactics to be successful.

5. AI will be imperative to ID-free targeting

Key Benefits of Using AI in Marketing According to Marketers Worldwide, Dec 2023

% of respondents



Source: Ascend2, "Leveraging AI in Marketing," Jan 4, 2024

284362

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Marketing professionals worldwide believe that improved targeting is the second-biggest benefit of using AI in marketing, following increased efficiency, per December 2023 data from Ascend2.

Generative AI is key in empowering advertisers with limited first-party data, as it requires little input to power probabilistic models. Smaller brands and agencies can take advantage of these tools to scale addressability without identifiers.

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