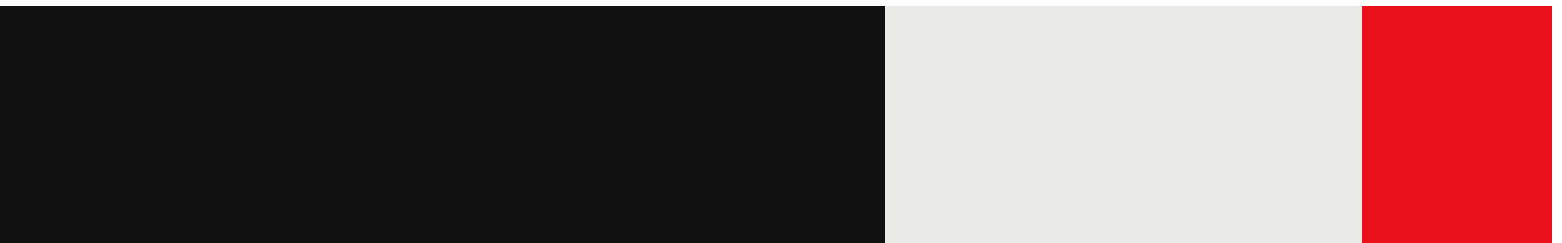# 5 charts on how third-party cookie deprecation will change ad buys
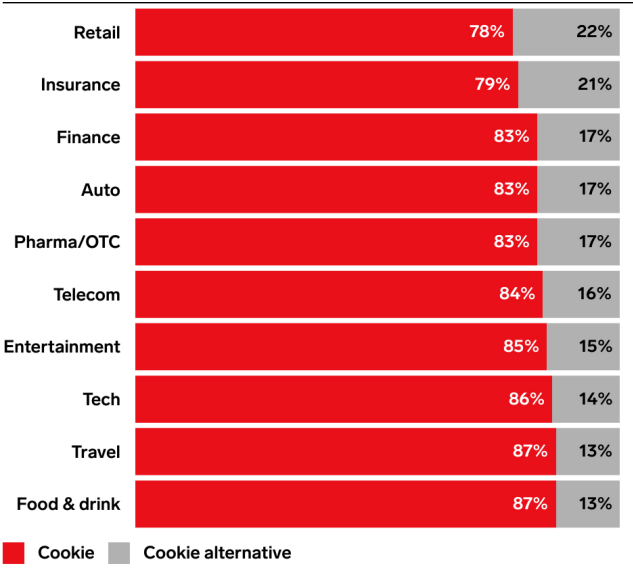
Article

Although Google delayed third-party cookie deprecation until 2025, 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

Industry	Cookie	Cookie alternative
Retail	78%	22%
Insurance	79%	21%
Finance	83%	17%
Auto	83%	17%
Pharma/OTC	83%	17%
Telecom	84%	16%
Entertainment	85%	15%
Tech	86%	14%
Travel	87%	13%
Food & drink	87%	13%

■ Cookie   ■ Cookie alternative

Note: represents activity on the 33Across platform; broader industry metrics may vary
Source: 33Across, "Programmatic Cookie Alternative Trends Report: Q3 2023," Nov 2, 2023
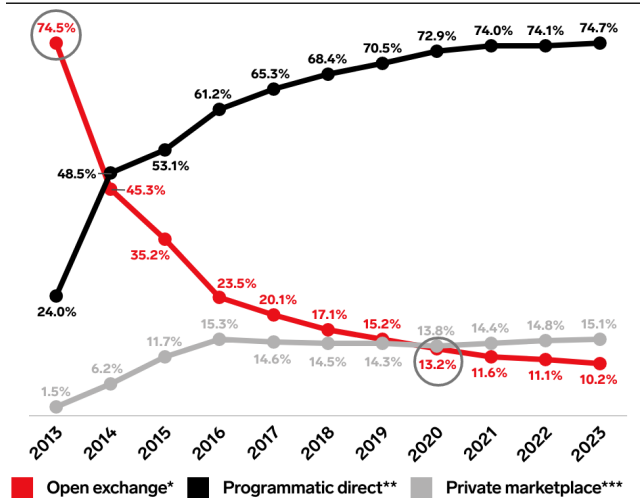
350696   Insider Intelligence | eMarketer

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

Open exchange* / **Programmatic direct**** / **Private marketplace*****

Open exchange: 74.5% (2013), 45.3% (2014), 35.2% (2015), 23.5% (2016), 20.1% (2017), 17.1% (2018), 15.2% (2019), 13.2% (2020), 11.6% (2021), 11.1% (2022), 10.2% (2023)

Programmatic direct: 24.0% (2013), 48.5% (2014), 53.1% (2015), 61.2% (2016), 65.3% (2017), 68.4% (2018), 70.5% (2019), 72.9% (2020), 74.0% (2021), 74.1% (2022), 74.7% (2023)

Private marketplace: 1.5% (2013), 6.2% (2014), 11.7% (2015), 15.3% (2016), 14.6% (2017), 14.5% (2018), 14.3% (2019), 13.8% (2020), 14.4% (2021), 14.8% (2022), 15.1% (2023)

Note: includes native ads and ads on social networks like Facebook and X; includes advertising that appears on desktop/laptop computers, mobile phones, tablets, and other internet-connected devices; includes programmatic ads that are transacted in real time, at the impression level; *includes ads transacted through a public RTB auction in which any buyer or seller can participate, also known as open auction or open marketplace; **includes all programmatic ads that are transacted as blocks of inventory using a non-auction-based approach via an API; ***includes ads transacted through an invitation-only RTB auction where one publisher or a select group of publishers invites a select number of buyers to bid on its inventory
Source: Insider Intelligence | eMarketer Forecast, Dec 2023

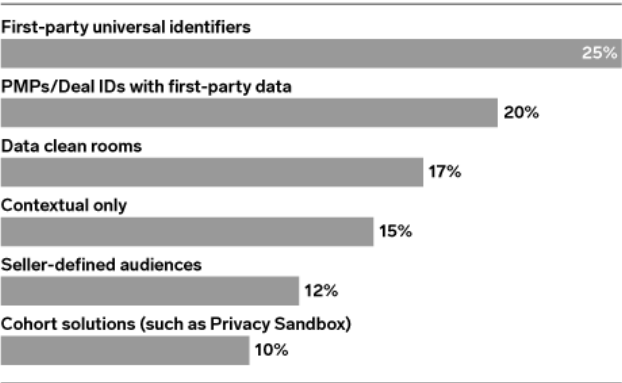350808   Insider Intelligence | e**Marketer**

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

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, 2023

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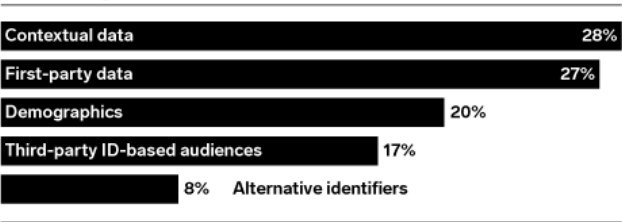
A quarter of marketing professionals worldwide believe first-party universal identifiers are the most viable solution to cookie deprecation, according to August 2023 data from ID5.

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

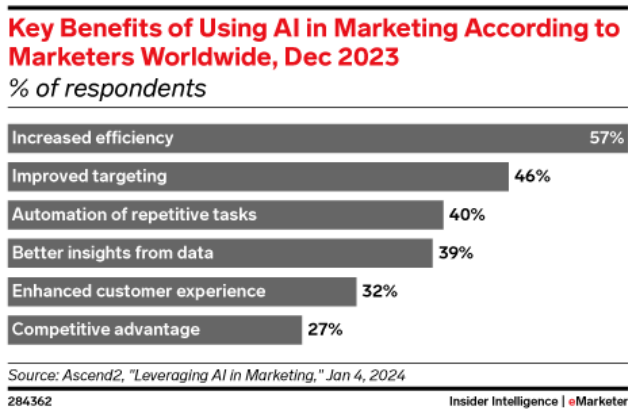|	
Contextual data	28%
First-party data	27%
Demographics	20%
Third-party ID-based audiences	17%
Alternative identifiers	8%

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

284671   Insider Intelligence | eMarketer

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 Proximic.

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

Increased efficiency	57%
Improved targeting	46%
Automation of repetitive tasks	40%
Better insights from data	39%
Enhanced customer experience	32%
Competitive advantage	27%

Source: Ascend2, "Leveraging AI in Marketing," Jan 4, 2024
284362   Insider Intelligence | eMarketer

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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