

Google will begin rolling out Privacy Sandbox APIs to Chrome users this week

Article



The news: One year out from the end of third-party cookies on Chrome, Google is rolling out the first step of cookie replacement Privacy Sandbox.





Beginning this week, Privacy Sandbox APIs (application programming interface) will be enabled for about 35% of Chrome users, rising to 60% in August and 99% before the end of the year.

The magnitude: First it was Europe's **General Data Protection Regulation**, then **Apple's AppTrackingTransparency** change on iOS. Now, it's third-party cookies' turn to be the next industry-defining privacy change.

- Competing browsers like Firefox and Safari have already eliminated third-party cookies. But with a more than 65% share of worldwide browser traffic, Chrome's change is the big one.
- The change has been in the books for a while now. Google has delayed the end of cookies two times, a sign of how messy and complicated it is to set up a new privacy framework that still meets advertiser needs.
- In the meantime, advertisers have dug in their heels: In India, 82% of advertisers increased cookie spending for 2023. Advertisers are not thrilled that cookies have to go away, and the two prior delays have led nearly half (47.8%) of advertisers to believe that there will be yet another delay, per DoubleVerify.

Actions US Consumers Have Taken for Privacy Reasons, by Generation, March 2023

% of respondents in each group

| | Gen Z (18-26) | Baby boomers (59-77) | Total |
|--|------------------|--------------------------|----------|
| Cleared browser cookies | 42% | 62% | 54% |
| Turned off location services/sharing | 47% | 50% | 51% |
| Covered the computer's camera | 39% | 26% | 35% |
| Gone into incognito or private mode on a web browser | 39% | 21% | 35% |
| Stopped using an app or website entirely | 29% | 36% | 33% |
| Used an ad blocker | 27% | 31% | 31% |
| Used a VPN | 33% | 21% | 28% |
| Change search behavior to protect their privacy | 25% | 13% | 20% |
| Used a disposable email address | 23% | 10% | 18% |
| Used virtual credit card numbers | 14% | 6% | 17% |
| None of the above | 22% | 16% | 13% |
| Note: ages 18+ Source: Tinuiti, "How US Consumers Really Feel Abou 2023," May 24, 2023 | ıt Online Priv | acy and Marketing | 'n |
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The roadmap: With the one-year countdown now in effect, Google is giving some clarity about how changes will take hold. A timeline <u>released in May</u> revealed that Google plans to slowly turn the page, deprecating cookies for 1% of Chrome users in Q1 2024.



- Google called the rollout of the API to Chrome users a "key milestone," perhaps dashing the hopes of advertisers waiting for another delay. Later this year, Google will also enable a tool that will let clients simulate how advertising will work when cookies are deprecated for 10% of Chrome browsers.
- There are also regulatory concerns. Google agreed to oversight by the UK Competition and Markets Authority in 2021 after the regulator expressed concerns that the pivot away from cookies could further funnel ad spending into Google's own ecosystems.
- Last month, the CMA issued guidelines for how Google and its clients can test the Privacy Sandbox, requiring rigorous reporting so the CMA can rule on whether it gives Google an unfair advantage in the market. Google has said it will continue to work with the CMA.

Our take: A third delay for the end of cookies is unlikely. Even if one does materialize, the change will still come eventually. Advertisers should take Google's first steps next week as a sign to begin getting on board as soon as possible, or be left behind when the Privacy Sandbox takes full effect next year. Cookies may be effective for now, but it's better to learn the new systems with a year of runway instead of a few months.