A marketer's guide to post-cookie solutions

Article

Changes are coming to digital advertising, and if you haven't started to prepare, you might already be behind.

Get up to speed: Though Safari and Firefox phased out third-party cookies years ago, Google Chrome has yet to do so. But that won't be the case for long.

- After postponing a couple of times, Google has confirmed it will deprecate cookies in 2024.

- Google also plans to sunset Google AdID on Android phones in favor of a more privacy-compliant solution.

To help marketers navigate these changes, Google has released Privacy Sandbox solutions for both the web and mobile. The Sandbox isn't a singular answer to a post-cookie world, but rather a bundle of tools and resources for marketers to use to be in compliance with stricter privacy standards.

Dig in: While helpful, Google's tools won't solve all marketers' problems. Quite a bit more work needs to be done.

First, develop an internal plan of action, according to Angelina Eng, vice president of measurement, addressability, and data center at the Interactive Advertising Bureau (IAB).

"Talk together as a team. You need your developers, your data analysts, your marketing, your ad tech folks, and your governance and compliance team[s] all sitting together to assess the risks and have healthy discussions about your approach," said Eng.

Once you're on the same page internally, start a dialogue with external partners. And don't assume that the next link in the chain will have the solution.

"Don't push off the responsibility," Eng continued. "Marketers, don't push it off to your agency. Agencies, don't push it off to ad tech or martech platforms."

Triage is going to be the key word for marketers as no one solution has emerged as the front-runner. Here are four strategies to get you started.

1. Try on some identity solutions

Without cookies, it's going to be harder for marketers to connect internet users with their online behaviors. Identity solutions should help marketers piece together the puzzle a little bit easier. Essentially, there are three different types to consider.

Option A: Universal IDs

- A universal ID is a single, unique identifier that helps companies track an individual across the web. A variety of companies have developed universal ID solutions, but The Trade Desk's Unified ID 2.0 is one of the most well known.

- The issue? Since consumers must opt in to universal IDs, it may be hard for the solution to reach the ubiquity that cookies did.

- "There's a reason that cookies were not opt-in," said our analyst Evelyn Mitchell. "I have a very hard time believing that universal identifiers will ever achieve the kind of scale that would

make them a silver bullet solution."

Option B: Cohort-based solutions

- Cohort-based solutions aggregate user data and place individuals into groups according to common interests. An example of this is Google's Topics API, which can group consumers into buckets (like "Fitness" or "Travel & Transportation") based on browsing data.

- These have limitations. "Cohorts are not usually persistent. So they can change over time, which makes measuring and retargeting a challenge," said Mitchell.

Option C: Seller-defined audiences

- With seller-defined audiences, publishers use their own data to group audiences (usually based on the IAB's taxonomy) and package them for advertisers to use (e.g., users who are interested in opera or personal finance).

- The IAB's taxonomy gives the audience data a consistency that enables advertisers to use it across publishers.

So what's the best identity solution? Depends who you ask.

"Universal IDs tend to be positioned as the ideal choice for marketers because they are persistent across the web and because they're opt-in," said Mitchell. "But scale is the major con."

Mitchell believes there's a big opportunity for seller-defined audiences, which, when leveraging a consistent taxonomy, can be used across the web while enabling the audience scale marketers need.

2. Explore contextual advertising

Contextual advertising uses the contents of a webpage to place ads. Google has endorsed this type of targeting (along with the use of first-party data and cohort-based solutions) as a good solution for marketers in a post-cookie world.

Unlike audience-based targeting, contextual targeting isn't guaranteed to reach the desired consumer base.

"This is why advertisers need to leverage contextual targeting as part of a broader strategy including multiple types and layers of targeting," said Mitchell.

3. Jump on the data clean room trend

Data clean rooms are quickly becoming a popular option for marketers looking for non-cookie-based alternatives; companies from Amazon and Google to Pinterest and The Walt Disney Co. are taking part.

But there are barriers to entry for marketers, which include privacy concerns, difficulty to scale, unproven technology—and most of all, budget.

"Data clean rooms are not affordable for everyone at this point," said Eng.

In addition, there's a current lack of standards around clean room practices, making it difficult for a consistent experience across the board.

4. Don't forget about first-party data

While it's true that consumers are a lot more hesitant to give away their data, hope isn't lost; it's just become a two-way street. Consumers know that their data is valuable, so it's all about finding the right compensation.

It may be a while before a single solution emerges (if ever). In addition to the patchwork of technologies mentioned above, marketers should focus on building out their first-party data strategy. (Keeping in mind, of course, the current and upcoming privacy regulations in place.)

Start now or fall behind: "Advertisers that wait to test alternative identity solutions will lose their chance to compare results with the cookie-based tactics they're familiar with," said Mitchell. "And advertisers that learn how to walk the cookieless walk sooner than later will be miles ahead when their competitors approach the starting line."

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