

CORVIDAE
By QueryClick

How Will The Removal of Cookies Impact Marketing?

Tips for success in a cookieless world

Corvidae.ai

Introduction

Cookies have been a part of the digital landscape for an eternity (or at least in the digital marketing sense).

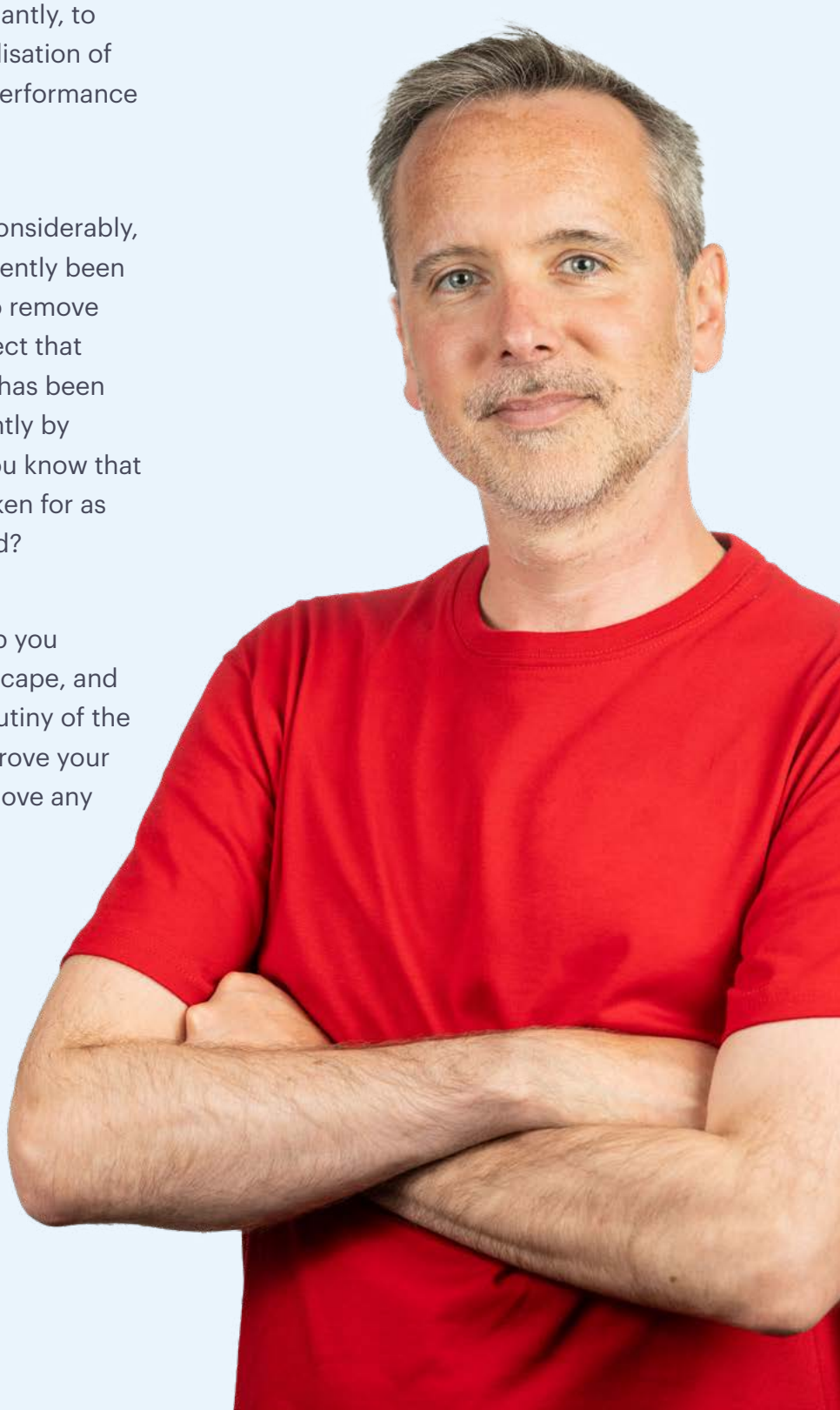
Marketers have been using them for years to track prospective customers on their journeys across the web. And, most importantly, to collect data that enables personalisation of individual user experiences and performance reporting of ad targeting.

However, all of that is changing considerably, with significant strides having recently been taken by major industry players to remove third-party cookies. A domino effect that started with Firefox back in 2019, has been followed by Safari and most recently by market-leader Chrome. But did you know that first-party cookies have been broken for as long as web analytics have existed?

We put this guide together to help you navigate the new marketing landscape, and take advantage of the current scrutiny of the role of the cookie to radically improve your marketing performance - and remove any dependance on cookies at all.

Here's to performance!

Chris Liversidge
CEO & Founder



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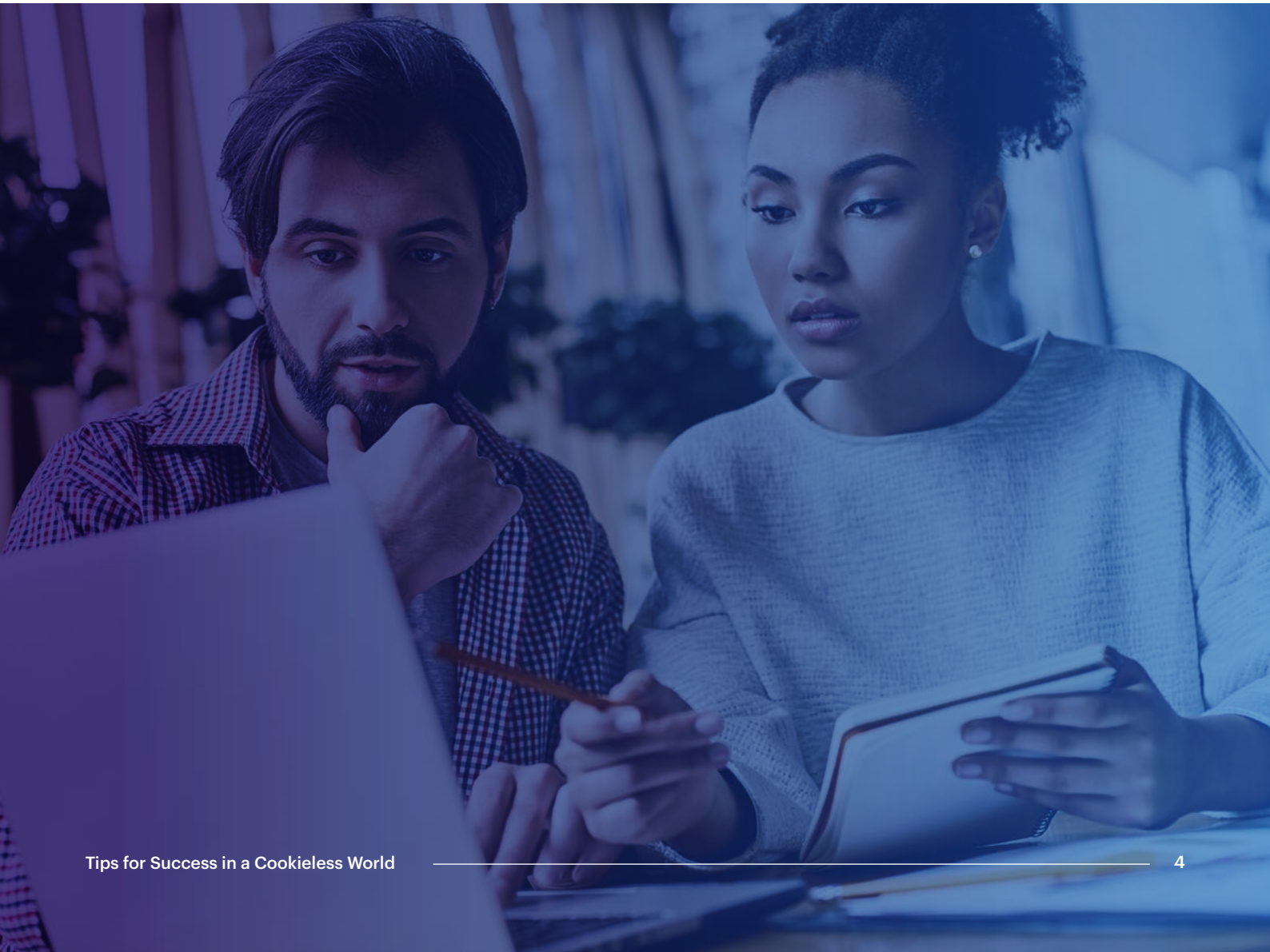
- The removal of cookies - what's actually happening and why?
- What does this mean for advertisers and the wider market?
- How are marketers reacting to the change?
- 5 tips for surviving the third-party cookie apocalypse
- Corvidae: the only cookieless attribution solution

The removal of cookies – what's actually happening and why?

There have been whispers around the marketing world about the impending cookie apocalypse for a while now. But we can perhaps pinpoint the initial demise of the third-party cookie by going back to Firefox's decision to block them by default back in 2019.

And two further decisions by major industry players caused even more confusion and despair for marketers:

- The announcement by Apple that from **April 15, 2021** their iOS 14 release would make their **IDFA a required opt-in** on each and every app used
- Confirmation from market leader Google that they will begin **phasing out 3rd party cookies from Chrome browsers by 2023**.



So, why is this change happening?

There have been a number of elements that have combined to drive this change including:



Concerns around privacy

Increased scrutiny from consumers, and privacy activists, around the ways companies have been utilising 3rd party cookies to target advertising. Raising issues around transparency and the lack of clear consent.



Legal changes

Legislation ranging from GDPR, to the ePrivacy Directive and CCPA have all specifically targeted how brands and advertisers gain consent via cookies and process data for marketing purposes.



Ad blocking preferences

According to Statista 26% of internet users are using ad blocking technology on their browsers driven by concerns around privacy. Which is also diminishing the role of 3rd party cookies.

However, it's the seismic changes from Apple and Google that are really changing the shape of the game for marketers. With radical changes to user identification, limited attribution windows, loss of cross domain tracking and time delays in data reporting that combine to mean significant challenges in reporting ROAS.

What does this mean for advertisers and the wider market?

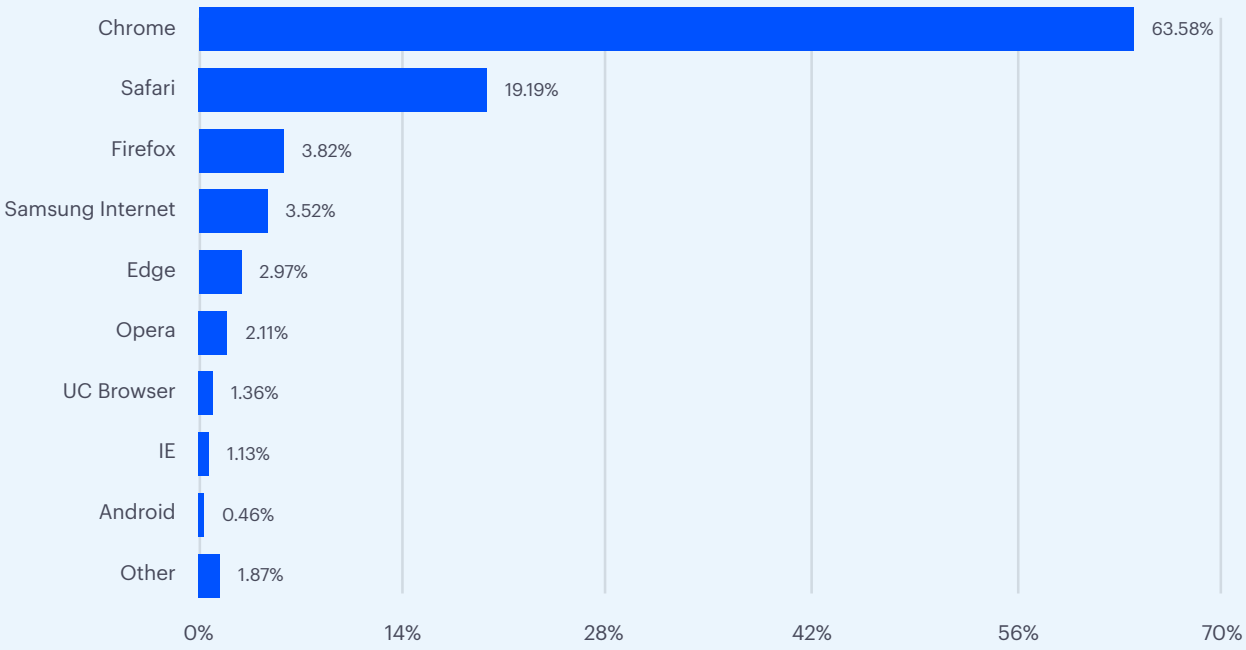
There are a lot of different angles to consider on the matter. But here are some of the major implications we see resulting from the changes.

Some of the old marketing certainties are gone... or going soon

The sheer scale and scope of Google's reach guarantees wide ranging changes to the market.

Estimates vary as to the size of Google's share of the browser market but tend to coalesce in the region 64% on desktop and 41% on mobile. Which gives us a feel for the impact the change might have. But coverage is only one side of the equation. The truth is that for the best part of 3 decades marketers have built entire strategies around the power of the third-party cookie. Driving their entire approach to cross-site targeting, behavioural approaches, user analytics and more recent innovations like re-targeting.

StatCounter Global Stats - Browser Market Share Worldwide on Nov 2020



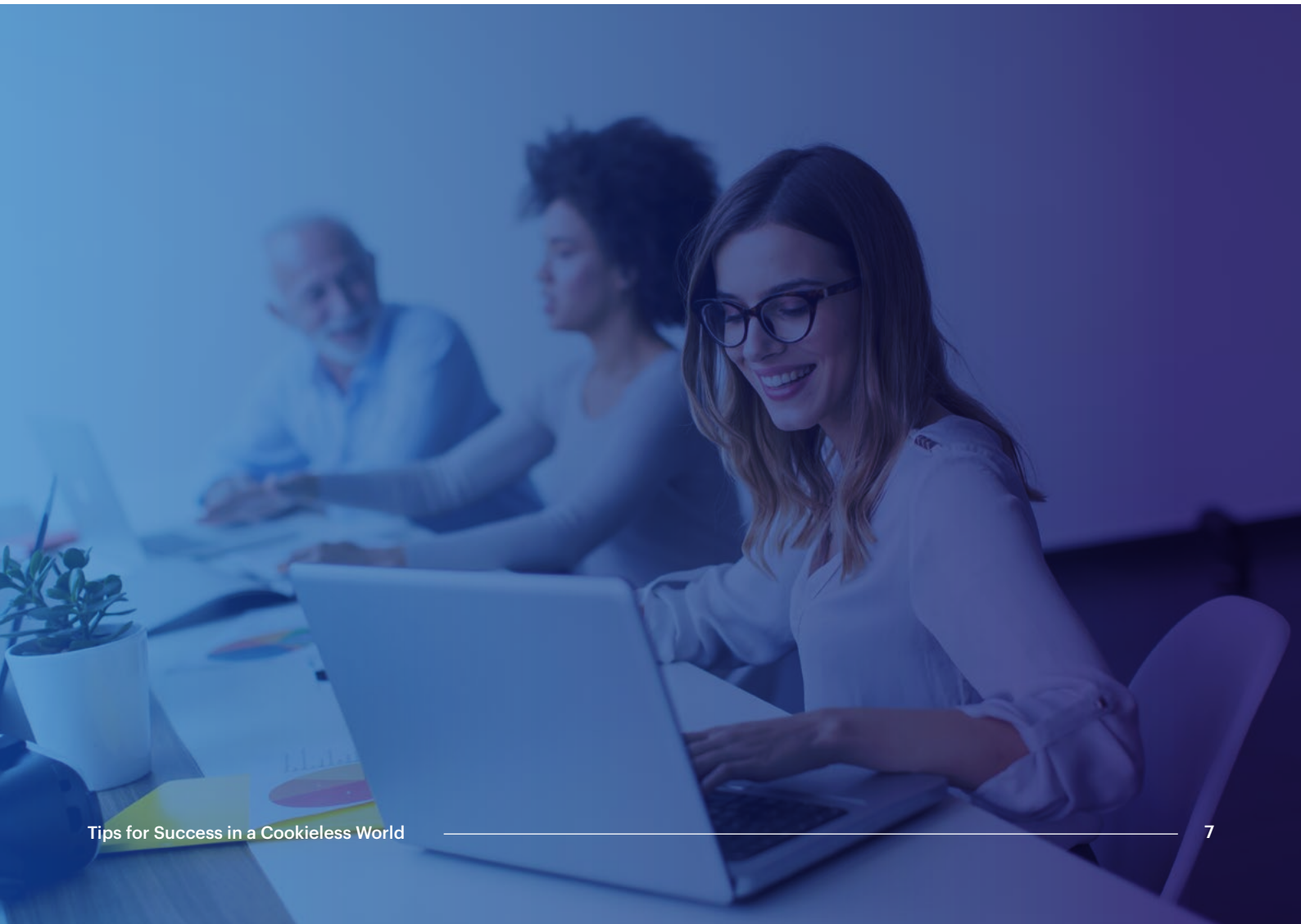
A move away from behavioural targeting is on the cards

The changes look likely to expedite a move away from behavioural advertising.

In reality this removes the capability to reach consumers deemed to have the highest propensity to convert based on showing an interest in and advertiser's products or services.

However, it is a move that has proved successful for publishers, with the New York Times famously moving away from behavioural advertising within Europe in 2018 – partly in response to GDPR. With a move back towards contextual and geo-located advertising. Without any reported reductions in advertising revenues. This type of shift away from behaviour based programmatic targeting opens the door for publishers to take advantage of their own first-party data and focus on contextual, geo-located and private marketplace (PMP) deals directly with advertisers.

This would allow advertisers to circumvent third-party advertising platforms and directly negotiate with the end inventory owner. Increasing transparency and reducing hidden ad-tech stack costs. It's also possible this change will help to reduce the duopoly of Facebook and Google's stranglehold on the online advertising world.



Maybe the impact will be less marked than we think

Before we move on and consider what you can do to get yourself ready for the changes, it is probably fair to visit the other side of the argument.

In particular, it is important to highlight that not everyone agrees that third-party cookies really deliver the kind of reach that some programmatic vendors would have you believe – with research suggesting that this might be in the hundreds rather than thousands as often proclaimed.

And there is also fairly compelling research evidence that increased targeting using 3rd party cookie audience data reduces the effectiveness of performance marketing campaigns, rather than improves it.

So, on the flip side, maybe the downside isn't quite as big as people think.

	Cost Data for Digital Audience Solutions			
	Display Ad Costs		Video Ad Costs	
	Targeting	No Targeting	Targeting	No Targeting
Publisher	1.36	1.36	11	11
SSP Exchange*	0.13		1.09	
3rd Party Data Costs	1.33		1.33	
Ad Serving & Verification	0.2	0.2	0.2	0.2
SUM Sell Side Costs	3.02	1.56	13.62	11.2
DSP*	0.44		2	
Trading Desk / Execution*	0.45		2.04	
SUM Digital Ads Costs	3.92	1.56	17.67	11.2
Agency of Record*	0.27	0.11	1.24	0.78
Final Costs Advertiser	4.2	1.67	18.9	11.98
Final Ratio to No Targeting	2.51		1.58	

*Refers to variable costs. Sources Slius (2018); Gertz (2018)

Source: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3203131

How are marketers reacting to the change?

Like with any big change, there are going to be teething problems and learning curves. And it's likely that we'll make a few mistakes along the way as we navigate the new normal.

While chatting to marketers looking for a solution to the removal of cookies, we've noticed a couple of similarities in the way the industry is getting ready for this impending change.

Here are a few of the biggest mistakes we see marketers making as they prepare for the cookieless future.

1 Mistake #1: Burying their heads in the sand

The biggest mistake marketers can make right now is to simply pretend the change isn't happening and do nothing.

If you're working in digital marketing – and tracking digital touchpoints – this change will impact you. There's no hiding from that.

However, as Google has recently announced yet another delay for it cookie deprecation, this will have given most marketers a great sense of relief. And Google's track record for setting delays may make some marketers feel like it's a change that isn't likely to happen any time soon.

But by having this mindset, not only are you putting your marketing at risk, but you're also likely to fall behind your competitors who already have one foot forward when it comes to finding a solution.

2 Mistake #2: Panicking and choosing the wrong solution.

The date for Chrome removing its support for third-party cookies is still looming (albeit slightly delayed). And as with any time-sensitive change, it can often lead to panic and a scramble to find a quick fix.

A search for 'cookieless world' brings up multiple vendors claiming that they have a solution for the removal of cookies.

However, while many analytics and attribution solutions claim that they are cookie-free, the reality is, they are simply swapping third-party cookies for first-party cookies.

Our own research found that the first-party cookie is just as broken as it's third-party counterpart. In fact, it supplies data for attribution which is 80% inaccurate. So, the key to succeeding in a cookieless world, is to be 100% cookieless.

Google's own solution to the removal of cookies has also proved to be questionable. Their 'Google Topics' API aims to deliver targeted advertising in a way that protects the privacy of individuals. However, it only provides around 350 categories. This is a vast reduction in the depth and flexibility for targeting which current third-party solutions provide.

Finding the right solution can take time but implementing it can take longer. So, ensuring you understand what your business needs are to succeed in the cookieless world – and then conducting thorough research to find the best solution – is key to avoid wasted time and effort.

3

Mistake #3: Not educating the business about the change

We know that the world of marketing is going to be massively affected by the removal of cookies. But ensuring the entire business is educated about the changes is key to protecting the bottom line – and securing all important buy-in for any new solutions.

There was a lot of confusion about what the changes meant when the news was first announced. And there still seems to be a sense of uncertainty within the industry. In fact, data from QueryClick's recent survey showed that 44% of marketers believe the removal of cookies will have a positive impact on their business, whereas 34% think it will have a negative impact.

While it's important for marketers to get clued up about what the changes actually mean, what the impact will be and what can be done, the same also applies to other functions within the business. Sharing the latest content, attending industry events and keeping up to date with marketing webinars will ensure everyone is educated about how to succeed in the cookieless world.



5 tips for surviving the 3rd party cookie “apocalypse”

So, that’s what not to do.

What steps should you take now to ensure you’re set up for success in the cookieless future? **Here are our 5 top tips.**

1 – Context is king

Beginning to test additional targeting options is crucial.

Contextual targeting already exists and integrating it into your campaigns now will give you time to understand what does and doesn’t work ahead of any mandatory shift.

So, using first-party data to understand your audience and then targeting them on websites that meet their interests is fundamental. For example, a sporting goods retailer may wish to look at investing in ad inventory on BT Sport or similar sites.



2 – Maximise the value in 1st party audiences and data

Don’t lose sight of the fact that first-party data is available – and is actually preferable if you can get on top of it and leverage it. As it opens a world of possibilities around personalisation.

Using the first-party data from your own analytics platform is a great start – with the strong caveat that you need to improve and rebuild it - but expanding on that first-party data repository with richer data will be vital to help inform on-going targeting.

So, get creative and start activating first-party insights that are hidden in CDP platforms, CRM and MarTech systems and offline campaign interactions. Dig deep into email engagement, buying history and the sort of conversations that are taking place in your call centres.

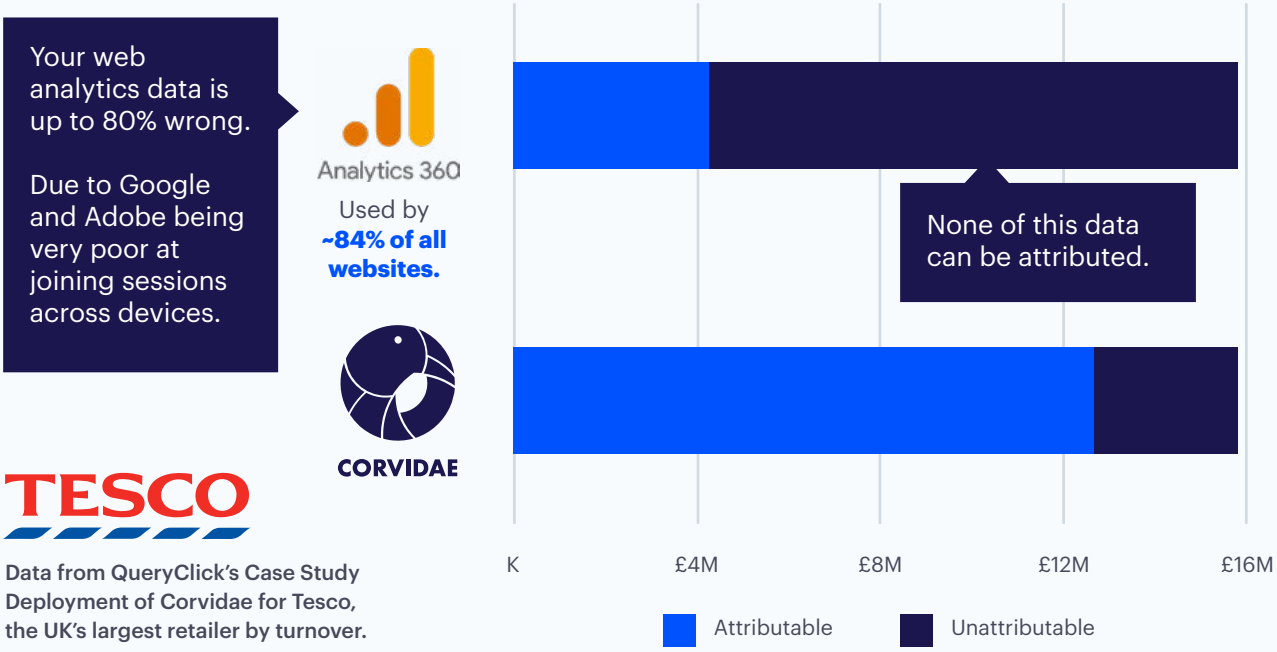
Getting to know your audience in more detail will allow you to better understand where they browse and enable you to target similar cohorts.

3 – Analyse and rebuild your broken cookie data

Despite all of the furore surrounding the changes to third-party cookies themselves it is pretty well documented by now that relying on Cookies – even first-party cookies is problematic. And in reality, they do a poor job of tracking customer journeys.

To put that in context for you, take Google's approach to collecting the vast majority of digital marketing data which is based on a pixel-plus-cookie based approach.

Daily Attributable Data (i.e. Repaired Broken Sessions and Enhanced Cross Device)



Data from QueryClick's Case Study Deployment of Corvidae for Tesco, the UK's largest retailer by turnover.

This session-based approach is based on tracking a device accessing a specific website or other web property. Not around identifying an individual – who just happens to be on a complex, multi-device journey. And as a result, it does a poor job of attribution – in fact, it generates data that is around 80% incorrectly attributed as shown below.

In this example – for a leading UK food and clothing retailer – took existing Google 360 data and effectively rebuilt it. And **adjusted the level of attributable spend from £4.1m to £13.6m** in the process.

So, rebuilding your core data is foundational.

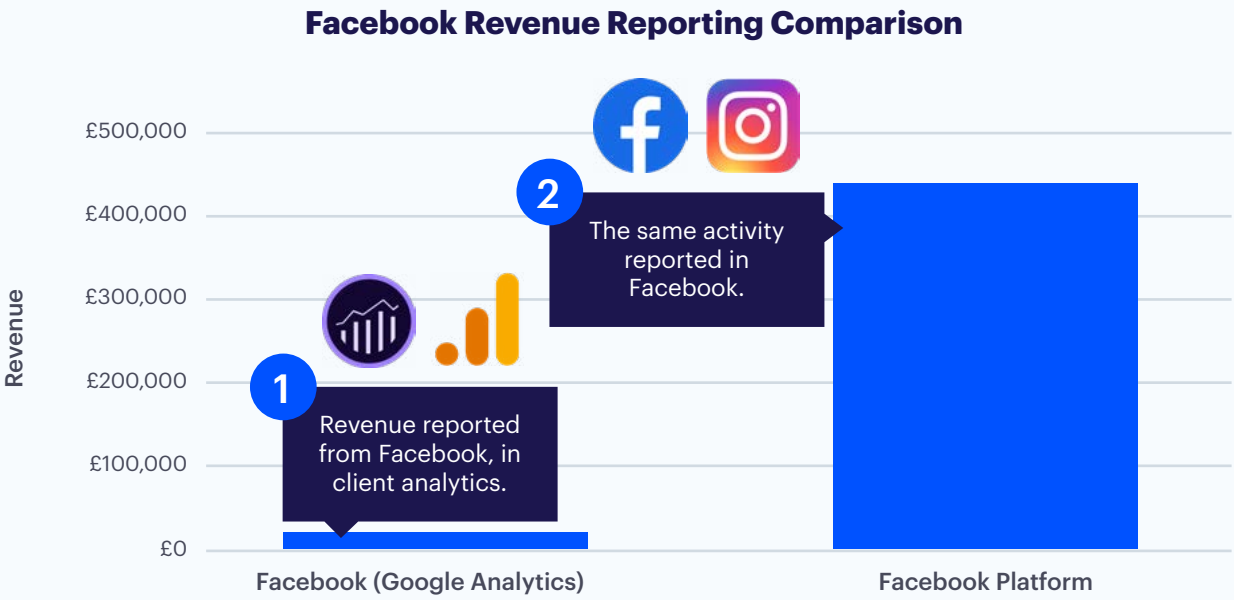
4 – Solve your attribution issue as an urgent priority

Use your rebuilt data to solve the single, most pressing issue for marketers right now (in a third-party cookieless world or otherwise). Namely more effective attribution across all of your marketing activity.

If you still don't believe there is a problem, let's take the example below.

This is taken from a recent retail customer campaign on Facebook.

You can see here activity as reported by Facebook on the right-hand side. And on the left-hand side, how that same activity is being reported in click-based analytics - like GA and Adobe.





As our CEO at QueryClick, Chris Liversidge explained:

"If we were to trust our web analytics supplier, then we would say that there's £20,000 of attributable revenue. And if we were to trust Facebook, it's nearly £450,000. Now, clearly the truth is somewhere in between".

And finding exactly where in between - and ideally going into more granularity than just simply a channel level as we're looking at here - is the job of effective attribution.

An issue that is just as important a challenge for your brand as the impending changes in third-party cookies.



5 – Don’t leave any of this too late

The clock is most definitely ticking here. And though there is no immediate panic, there is no doubt that the work you do to explore your options to reshape your marketing between now and the big third-party cookie switch off in 2023 is going to define your relative success after that point.

Use the time wisely. And work out how you are going to make yourself less vulnerable to future changes in marketing governance and the impact of policy changes by the big industry players.

There is a huge opportunity on the back of all this to redefine your first-party data view and deliver marketing experiences that provide real value for the people who matter most in all of this. Your customers.

Introducing Corvidae

Corvidae is the only cookieless attribution solution on the market.

Our patented AI technology completely replaces the need for third- and first-party cookies, working to a +95% predictive accuracy and allows marketers to:

Transform analytics data

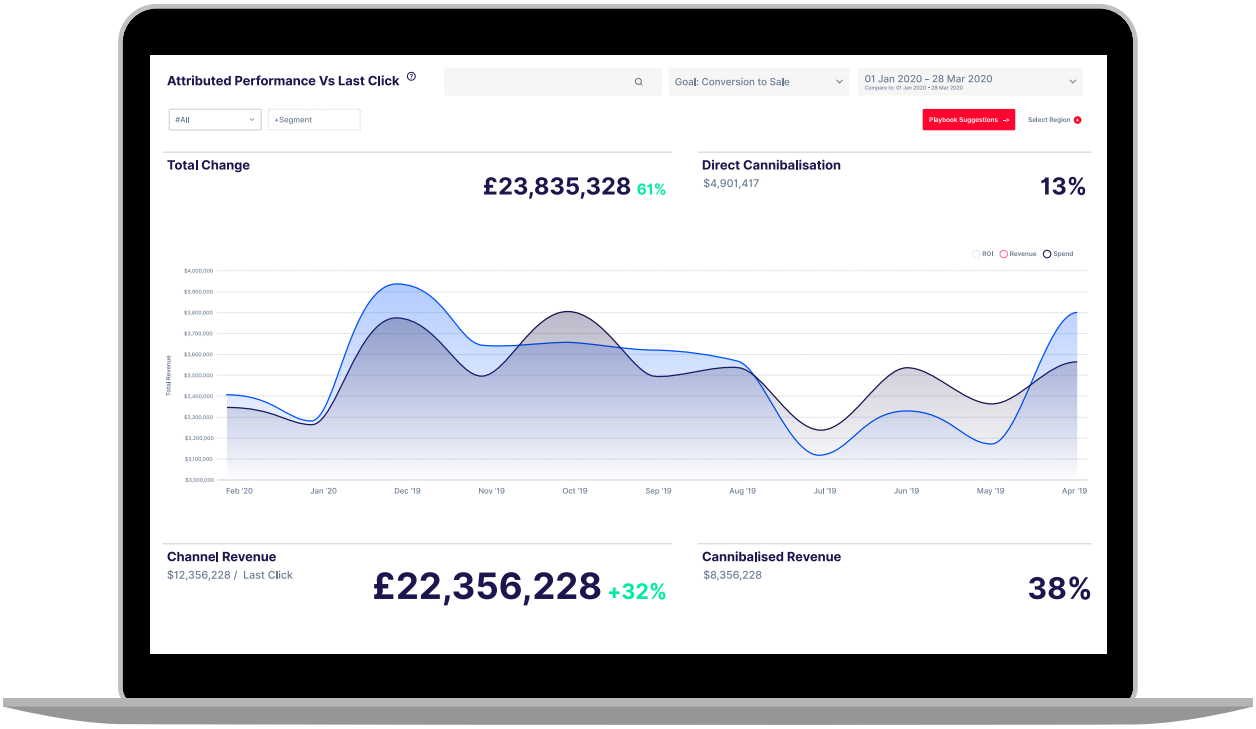
Corvidae rebuilds your data from the ground up for accurate attribution.

Understand the entire customer journey

Our attribution model stitches multiple vcross-channel, cross-device touchpoints to help you understand what is (and isn't) working.

Maximise ROI

Re-allocate budget for increased ROI and maximise reach at the lowest CPA.



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Ready to get started?

We're leading the way for the future of marketing measurement – and the future is cookieless. Are you ready to join the attribution revolution?

Get in touch with us today, and find out how you could boost your marketing performance to achieve results like these:

20:1 ROAS
for Google Ads

35:1 ROAS
for Facebook

Get in touch

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