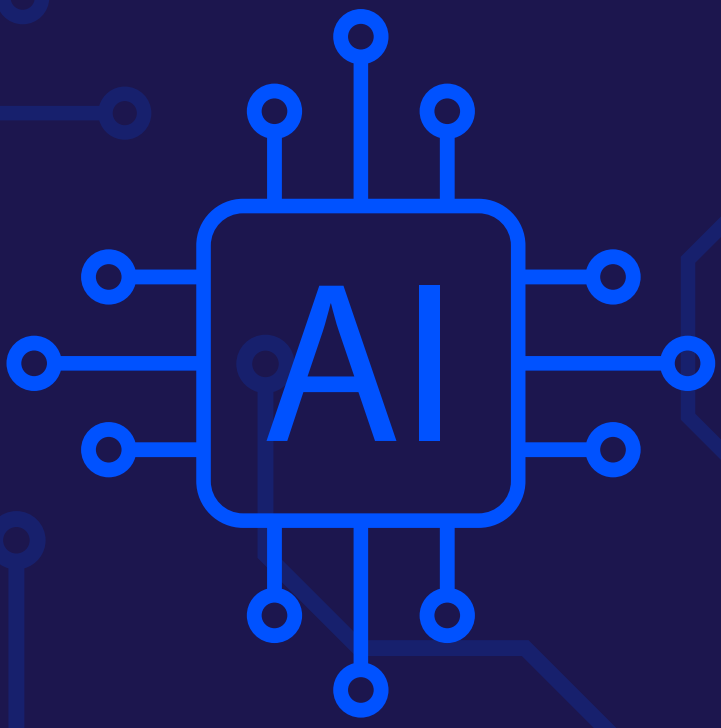
CORVIDAE





Is Cookie-Free Attribution a Myth?

Why AI and Machine Learning are key to post-cookie success

www.corvidae.ai

The impending removal of third-party cookies is a burning issue for performance marketers right now – and for good reason.

However, as marketers focus on how to safeguard their marketing and analytics on the run up to the date for third-party removal, what are the prospects for attribution after that point?

A recent survey from QueryClick, in partnership with Censuswide indicated that **77% of respondents** agreed that **effective attribution will become a key part of their Martech stack** as third-party cookies are removed.

In fact, the survey uncovered a strong focus on the role of attribution in particular. So, we wanted to dig a little deeper into the significance of attribution in relation to the loss of third-party cookies. As well as **establishing if cookie-free attribution is really a myth**.

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Some background on cookies

and the issue with third-party ones in particular

In this first section, we'll quickly set some context around cookies: what they are, what they're used for and some of their limitations. As well as briefly touching on what is happening to them in the current digital marketing landscape.

1st party cookies

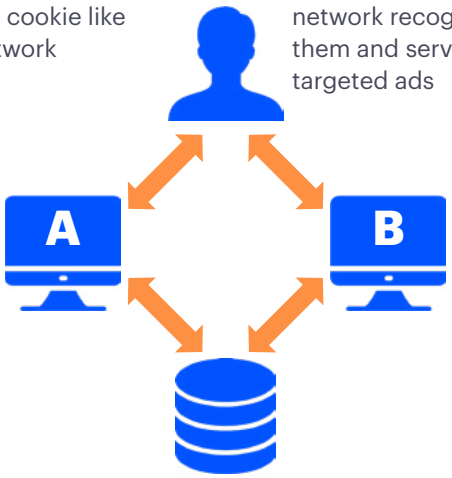


As the user browses site A the website drops a cookie that means it can identify them when they come back.

3rd party cookies

User visits site A and the website drops a 3rd party cookie like an ad network

When the user visits B for the first time the network recognises them and serves targeted ads



Centrally the network collects behavioural data on web visits etc. and this is available to advertisers for targeting purposes

What is a cookie?

First, a quick definition.

For anyone who's not sure about what a cookie is, let alone a third-party cookie, a cookie is a text file that sits in your user agent - which is the application you're using to access the internet - and it stores an ID. That ID is then used to identify you if you return to a site (in reality, we are all using them day in day out and across a wide range of devices from laptops to mobiles).

Whereas, a third-party cookie is one that is set by a website, other than the one that you are currently on.

How are they used?

Cookies have been part of the fabric of digital marketing for as long as most marketers care to remember. And they have been used to track prospective journeys across the web, with marketers then using the data collected to personalize user experiences.



Profiling individuals – for example, identifying if you are the right profile of person to see an ad



Retargeting of adverts - based on behaviours identified from user journey data that give an indication of your propensity to buy and product interests



Audience development - developing 'look-alike audiences' for better targeted marketing activity

So, in a lot of ways cookies direct much of the path of digital marketing across a wide range of channels and approaches.

Some of the issues around cookies

While all of this helps with personalisation and relevancy from a marketing perspective, third-party cookies face a number of issues which have accelerated their demise, including:

Browser and app related changes

You could argue that the death of the third-party cookie started back in 2019 when Firefox announced that it would block them by default for users of its web browser.

But it's two more recent decisions by major industry players that have thrown the marketing industry into a state of confusion, and even despair, which are namely:



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 Google that they will **phase out 3rd party Cookies from Chrome browsers by the end of 2022**. Chrome will still allow the collection of 1st party data – used for web analytics and the likes, and it is important to understand that this is highly unlikely to disappear anytime soon. However, 3rd party Cookies, the ones that allow 3rd parties to target adverts on external sites, will be prohibited.

Worries around privacy & security

Consumers and privacy activists are increasingly raising concerns around transparency of use and consent for cookies.

In fact:



78%

of consumers are worried about the volume of data that is being collected.

Source KPMG



81%

of web users say that the potential issues of personal data collection now outweighs the benefits.

Source Pew Institute



59%

of consumers say knowledge of a data breach would negatively impact buying intentions.

Source Deloitte

This concern is also being accompanied by legislation ranging from GDPR, to the ePrivacy Directive and CCPA which all specifically target how brands and advertisers gain consent via Cookies and process data for marketing purposes.

Combine all of this with potential issues around the security of cookies – which potentially leave the door open to hackers to target and uncover personal data – and you begin to see why the beginning of the end for third-party cookies has been coming for some time.

Ad blocking technology is a contributory factor too

The use of ad blockers is also increasingly prevalent amongst consumers.

What this points to is an audience that is increasingly savvy around their need for privacy – and one that is willing to research and deploy the right type of tools to protect it.



26%

of internet users are already using ad blockers in their technoogy

Source Statista

Industry next steps and the impact on marketers

So what impact is this having on marketers – and what happens next?

Marketers are split on what the impact means for them

It is interesting that in a recent retail trends survey **34% of respondents** indicated that the impact of removing third-party cookies is **likely to be a negative one**.



Source: QueryClick Performance Marketing Trends in Online Retail

That could be for a range of reasons from a lack of preparedness for the change itself, to an over reliance on cookies in the marketing mix, to a straight lack of understanding of the implications themselves.

But we are firmly in the camp of the 44% that think that change will have a positive outcome

in fact joint research by LiveRamp and Censuswide suggests that as many as 78% of UK Senior Marketers believe removing cookies will have a positive impact on advertising strategies.

Potential third-party cookie substitutes have their limitations

Now Chrome, which is owned by Google, is also phasing out 3rd party cookies entirely through the course of this year. Their proposed replacement? A topics API which includes about 300 topics but which is limiting.

Take the example below:



Specialty coffee targeting example

If you're selling specialty coffee, the closest topic to that is not, as you might expect, specialty coffee. It's not even coffee, it's food and drink.

That's the closest topic that you would have available to bid against, which we can probably all agree is not terribly granular data.

The response of marketers to this has been mixed with **44% of marketers** predicting a need to **increase their spending by 5% to 25%** in order to reach the same goals as 2021 according to GetApp & Hubspot.

Add into the mix the fact that Chrome is almost 60% of the browser market – and the other 40% of the market is largely already blocking third party cookies, and you begin to see that today, your ability to target effectively is already pretty severely hampered. Leaving aside any discussion around the 'actual' effectiveness of 3rd party advertising anyway which is a whole other discussion.

So, you could argue that moving away from third-party data is a good thing that we should all be embracing regardless of privacy considerations.



How to survive the death of third-party cookies

Your big, fat 'survival' checklist

- Create a strategy for the removal of 3rd party cookies
- Maximize your 1st party audience data
- Apply data cleansing and rebuild your broken data
- Keep tabs on the solutions being explored by Google
- Leverage the combined power of context and data
- Don't leave it too late!

Download Now

Why attribution is increasingly important in a cookieless world

So, returning to a theme we covered in our opening thoughts – and the results of our recent survey - why is attribution seen as a solution to the challenges posed by the removal of third-party cookies?

Most of the marketers we speak to describe attribution as a key baseline against which individual ad campaigns can be measured – for example for:

- A/B testing
- multi-variate testing
- media mix modeling testing

But let's park that and come back to it later.

We also know that, at some point, most marketers have tried to apply some level of attribution beyond standard last click defaults that are provided in many analytics packages or ad tech reports. And have struggled to get the quality of insight needed. In addition, media saturation is a key issue for the majority of paid media marketers with effective attribution sitting right at the heart of the problem.

So, attribution really matters. And, perhaps just as importantly, a good solution to attribution typically requires a good baseline of data.

However, the insight that we came to nearly eight years ago was that the analytics data our clients get from Google Analytics or Adobe Analytics – or pretty much all analytics packages that are using a first party pixel and a first party cookie – is only correctly attributed about 20% of the time.

As you can see in the live Tesco project example below.



However, by experimenting with the use of Machine Learning and AI, we were able to significantly improve this and achieve an incredible 85% accuracy – at that point in time. A figure which is now closer to 95%.

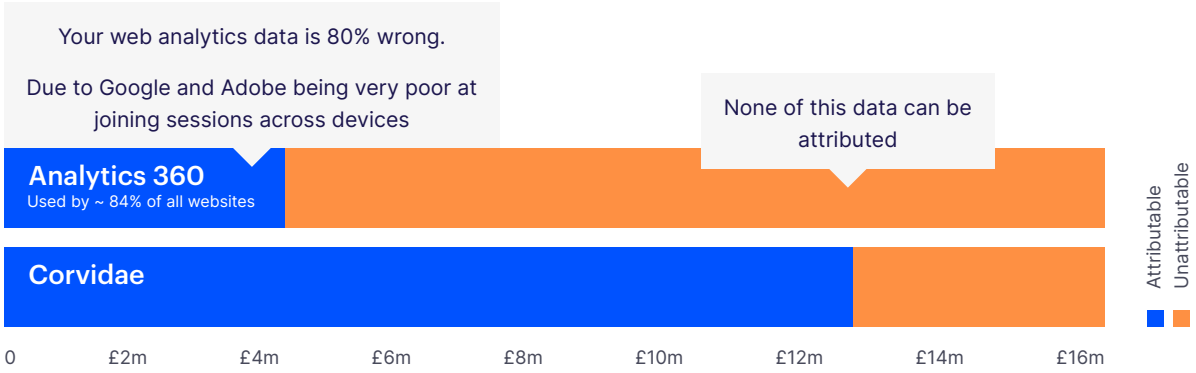
All without the use of cookies. And effectively replacing them with an AI driven solution in our Corvidae attribution platform.

Achieving predictive accuracy through AI – using Corvidae

So, how doaes it work?

1. Corvidae **includes a central piece of logic, in place of cookies**, that collects pixel and clickstream data where a customer either visits your website or views your advertising
2. This **hub connects together the multitude of devices and locations** you would expect to see in a normal research and purchasing experience
3. We are then **able to rebuild that journey** to solve potential issues with cross-device and cross-location problems (something cookies are particularly poor at doing as shown in the diagram below which indicates that as much as 80% of analytics data is wrongly attributed in the mostly commonly used packages including GA & Adobe)

Daily Attributable Data



4. We then **use these comprehensive paths, containing all of the touch points for all of the devices in a user journey** which are processed by our proprietary AI model - tracing every route through the complicated network of touchpoints to either purchase or to 'fall off'
5. It then uses the intersection between journeys to generate a weighting which is translated as how much an event has influenced the outcomes – **establishing how effective a marketing touch point has been in driving users towards conversion**

This is in contrast to traditional heuristic models, such as first click, last click or U-shaped models, which set values to the entire journey before you even have usage data and provide very limited outcomes.

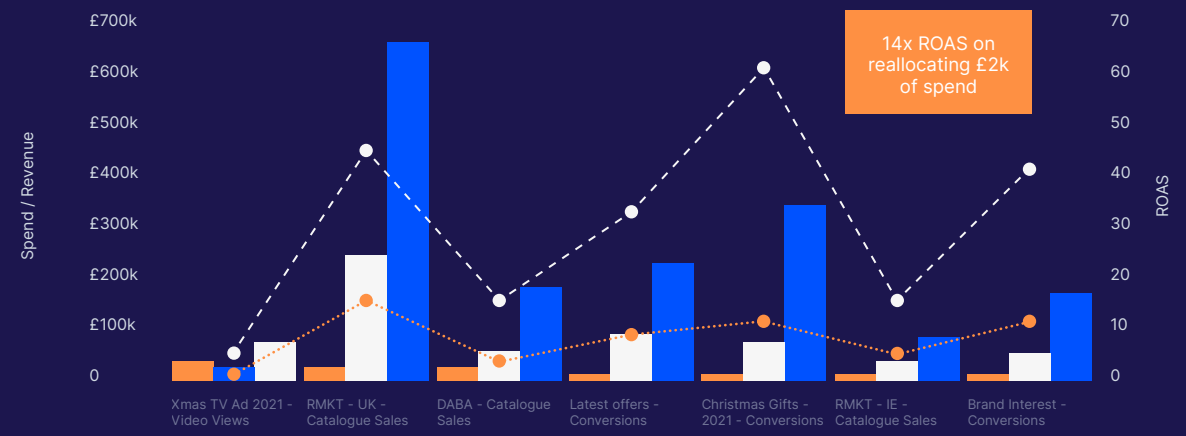
And because of that, we can accurately generate insight at a very granular level for things like a campaign, ad creative or keyword. Which are either not available or not accurate using aggregated approaches. At the heart of the solution is a neural network that effectively 'learns' and can predict the outcome of a user journey – and is able to understand the specifics and nuances of customers. It continually refines that and 'learns' - and improves - over time.

And all this data is aggregated and made available to support marketing planning and prioritisation. Which is where the commercial value lies.

The commercial impact of cookieless attribution

So how do you harness the power of this more effective level of attribution in your marketing activity? And realise the true commercial value of Machine Learning and AI?

For us, the major focus with clients is looking at the effectiveness of spend on Facebook and Google. The report below shows some of the growth opportunities that we were able tao identify on a recent project by reallocating budget from underperforming campaigns – and placing that spend elsewhere to produce much stronger growth opportunities.



	Xmas TV Ad 2021 - Video Views	RMKT - UK - Catalogue Sales	DABA - Catalogue Sales	Latest offers - Conversions	Christmas Gifts - 2021 - Conversions	RMKT - IE - Catalogue Sales	Brand Interest - Conversions
Spend	£28,257	£14,878	£11,477	£8,978	£6,237	£5,580	£3,866
Attributed Revenue	£13,791	£234,418	£47,901	£82,996	£79,0a22	£25,618	£48,730
Facebook Revenue	£70,802	£674,089	£172,601	£307,802	£369,371	£73,373	£171,249
ROAS	0.5	15.8	4.2	9.2	12.7	4.6	12.6
Facebook ROAS	2.5	45.3	15.0	34.3	59.2	13.1	44.3

Some key points to note here are:

- by reallocating £2000 worth of spend we were able to very quickly produce 14 times ROAS on that. And that was just by identifying wasted spend in areas where we could reallocate budget to drive much higher ROAS and ultimately growth
- through more accurate attribution we were also able to show that Facebook is over-reporting revenue by about 250%. Which is drastically inaccurate.

And it's something that many marketers will have seen before. But when you look at the impacts across time, it has a very big effect on revenue. And obviously the way that ad spend is being allocated into the right areas.

Corvidae provides that time to value as swiftly as possible, providing very accurate, actionable insights that everyone can interpret quite easily through the dashboarding.

So, the reality – to return quickly to our original question – is that cookie-free attribution is not a myth. With Corvidae we have actually been making it happen for quite some time.

The power of AI and Machine learning as tools to rebuild your broken data are key to this process - and effective attribution in a world without cookies.

By building powerful visit-level attribution data you are able to unravel the complexity of the wide variety of touchpoints on individual customer journeys and accurately attribute the correct level of impact to each.

This enables you to make the direct link between marketing spend and revenue, providing the capability to significantly improve your marketing ROI by making informed judgements based on sound data analytics.

It also opens up access to a broader, tiered level of attribution at a Channel, Campaign and Impression level. As shown to the right.

Channel Level Attribution

ONGOING ROI

Removes 3rd Party Cookie dependency

Optimisation of media spend by channel

- Spend reallocation (manual)
- Predictive Paid customer acquisition (automated)

Campaign Level Attribution

ONGOING ROI

Optimisation to individual campaign level

- Granular campaign performance data (manual)
- Bid adjustment (automated)

Microsoft Advertising

Impression Level Attribution

ONGOING ROI

- Optimisation of social display and video
- Optimisation of individual creatives

Talk to us about Corvidae

Corvidae reveals up to 334% more data for attribution that market-leading competitors. Providing game changing accuracy and predictive performance.

Discover Corvidae

www.corvidae.ai