

WHITEPAPER

DATA TRACKING IN A COOKIE-LESS WORLD

AS WE JOURNEY INTO 2022, DATA PRIVACY REMAINS ONE OF THE TOP WORRIES FOR TODAY'S CMOs.

Keep reading →





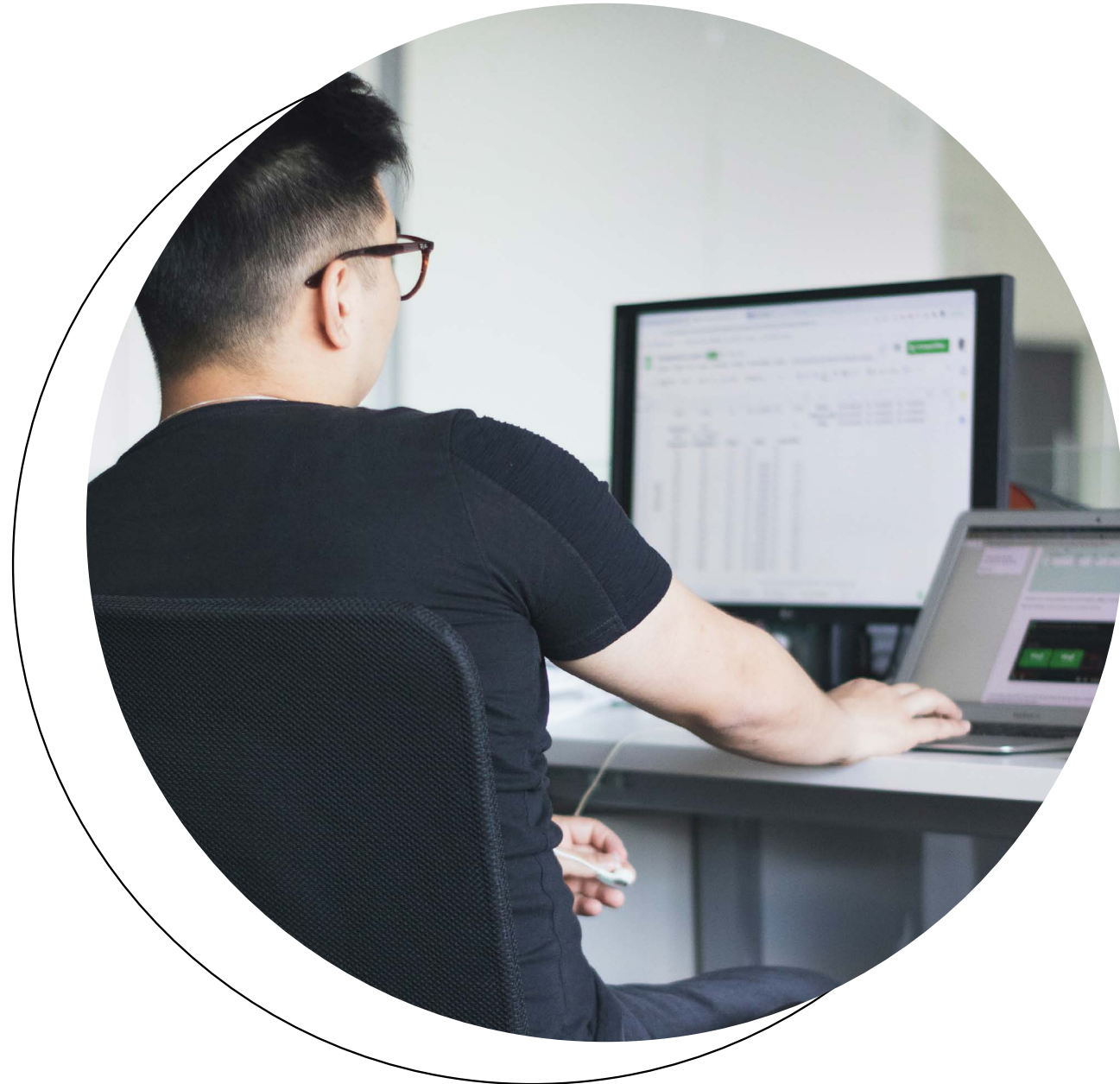
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DATA TRACKING IN A COOKIE-LESS WORLD



Why? The impact that data privacy has across the marketing landscape is profound. Data privacy compels brands to comply with an increasing number of state regulations – three states have enacted data privacy laws, while 31 other states have committee bills. Major players like Apple are unilaterally applying data privacy rules that other companies must follow to play in their world. The state of data privacy in 2022 might leave some brands feeling like they are navigating a go-kart in quicksand to meet the ever-changing landscape.

01

APPLE IOS 14 IMPACTS & IOS 15 NEW DATA PRIVACY FEATURES

iOS and the changes Apple made starting with the iOS 14.5 release in April of 2021 make understanding marketing effectiveness more complex and less predictable. [62% of users](#) opted not to allow tracking in iOS phone apps since the “App Tracking Transparency” (ATT) feature went live in April. ATT is a drastic change. Before ATT, 78% of users allowed tracking in apps. Red Door provided a comprehensive [strategy post](#) for marketers on how to handle media in this brave new data privacy world.



DATA TRACKING IN A COOKIE-LESS WORLD

Users who opted out of tracking affected the bottom line of many brands and advertising companies. Companies such as Peloton, Facebook, and Snapchat missed their targets and attributed the shortfalls to iOS data privacy changes. Attributing ad interactions to product purchases or app downloads profoundly affects companies' understanding of market effectiveness and, in turn, ROI on their ad investments. There is no equal or straightforward solution to understand the performance of your marketing efforts on iOS devices.

Apple released iOS 15 to the general public on September 20, 2021. Apple provided a few new wrinkles that affect data privacy:

Mail Privacy Protection (MPP) is one of those new features for users, providing additional layers of data privacy for Apple iOS 15. MPP is "off" by default currently. Users must turn it on to use its data privacy features for Apple Mail. MPP's privacy features

remove the ability to track email opens for email senders. MPP affects brands' ability to A/B test subject lines or optimize "send times" because it makes email open metrics useless. Email Marketers will need to optimize email performance based on the metrics they can still track, such as clicks and conversions.

Apple introduced SKAdNetwork in 2018. SKAd is Apple's answer to data privacy tracking, which provides aggregated attribution for mobile app marketing campaigns. With iOS 15, Apple sends winning postbacks directly to advertisers instead of ad networks, increasing transparency for marketers. While the postback is not deterministic tracking, it does allow analysts to compare what the ad networks are reporting.



02

PREPARING FOR A FUTURE WITHOUT THIRD-PARTY COOKIES

The loss of the third-party cookie forces brands to take a more hands-on approach to get close to their customers.

Brands must proactively think about what a world without third-party cookies means for current and future efforts and find opportunities to pivot while maintaining best-in-class experiences. By proactively implementing first-party solutions and, more importantly, building trust among consumers, brands can effectively reach target audiences and create strong interactions for long-term success.

Let's dive into how these evolving changes impact website, media, and consent experiences — and guide you on how to best prepare your brand.



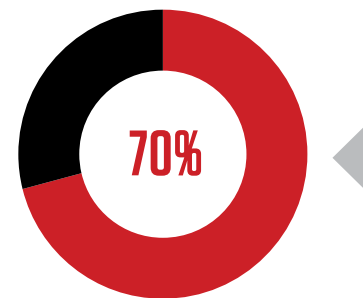


WHAT ARE THIRD-PARTY COOKIES?

If you're like most marketers, you rely heavily on tracking website visitors, boosting UX, collecting precious data and re-targeting ads — to get closer to your target audience. Third-party cookies make this all possible. They allow sites other than the one your users are visiting to set a cookie on their computer and store data. They also allow ad platforms to track movement across the web.

Just because cookies are used a lot, that doesn't mean they're perfect. Many devices don't support them, and cross-device tracking is inconsistent. Consumers aren't a fan of cookies either. In fact, according to an Invisibly survey, **70% of respondents don't agree with companies tracking them.** Plus, only a small group feel that tracking is a fair trade for the benefits that free online platforms provide. As cookies began to crumble, the big internet browsers started blocking them, ushering in the *Cookiepocalypse*.

COOKIES ARE CRUMBLING



70% of users don't agree with companies tracking them for marketing purposes.



CHANGE #1

THIRD-PARTY COOKIE BLOCKING FOR GOOGLE

While Firefox and Safari completely banned third-party cookies back in 2013, Google is taking a softer approach. Changes to Chrome will happen over the course of two years to ensure the move doesn't completely disrupt online ad business. After all, [Chrome makes up more than 56%](#) of the web browser market.

	AVAILABILITY		
	BRAND.COM	ESPN.COM	CNN.COM
COOKIE SET BY:			
BRAND.COM	✓	✗	✗
DOUBLECLICK.COM	✗	✗	✗

- Browsers blocking 3rd party cookies.
- Cross-site tracking [via cookies] eliminated.



CHANGE #2

FIRST-PARTY COOKIE EXPIRATION FOR SAFARI

Before we dive into Safari, let's do a quick refresher on first-party cookies. A first-party cookie is created and stored on your visitor's computer by default when they visit your site. This cookie is essential for a solid user experience, as it lets you collect valuable data, recalls password settings, and other preferences.

Safari is not completely banning first-party cookies. It's simply limiting the cookie's lifetime. The installed analytics package will continue to track users who click ads, and allow the site to set, read, and edit cookies — but they'll be stored for only seven days. This change is expected to roll out in the coming months.





HOW MARKETING CHANNELS WILL BE AFFECTED

While we don't have a crystal ball, we can tell you that channels and solutions that require tracking across sites will be most impacted. That being said, we see a push towards limiting data retention through browser and OS updates. This could mean the removal of device IDs and expansion of Safari Intelligent Tracking Prevention. You can also expect many browsers to begin testing solutions for protecting privacy — while providing valuable data to marketers like you.



MOST IMPACTED

- Display, DSP, DMP
- View-through conversions
- Multi-touch attribution

LEAST IMPACTED

- Customer Data Platform (CDP)
- Website Analytics
- First-Party Data
- Offline Third-Party Data (opt-in)



03

IMPACTS TO DIGITAL MEDIA TRACKING

BIG NEWS

Digital media tracking as we know it is going away. Impacts across Paid Media will be felt in waves this year due to iOS 14 updates, iOS 15 becoming the dominant OS for Apple devices, Chrome changes, and additional privacy law compliance.





PLATFORM-SPECIFIC IMPACTS



Facebook & Instagram will see the highest impact of the major digital media channels. These channels don't have a widely adopted search engine, browser, or analytics platform, impacting their ability to complete the identity resolution picture. Updates will be more continuous to handle changes as they roll out from device and browser developers.



Google is in a great spot to handle iOS 14 changes, as Google has a more holistic view of internet traffic from multiple solutions. There will still be impacts though, but they'll be smaller compared to other major platforms. Also, with "cookie-less" coming to Chrome as well, Google is in an excellent position to determine its future. Google has many solutions testing out now in their privacy sandbox; a key one is Federated Learning of Cohorts or [FLoCs](#).



Paid Search will continue to be a powerful channel for marketers. While audience data and targeting can significantly improve long-term efficiency, the power of "pull" marketing tied to search intent and desire for a solution will keep this channel effective even with an expected impact on reporting capabilities.



Additional platforms and vendors are where it starts to get messy. Impacts across things like **programmatic display, video, and other social channels** will be more broad-reaching and require more solutions for audience resolution.

ADDITIONAL SHIFTS TO PROGRAMMATIC MEDIA

We expect programmatic ad revenue to drop, decreasing ad prices. Google claims that publishers' digital ad revenue will fall by 52% on impressions without cookies. Have a sinking feeling? Don't worry. We've put together a plan to pull you out of the quicksand.



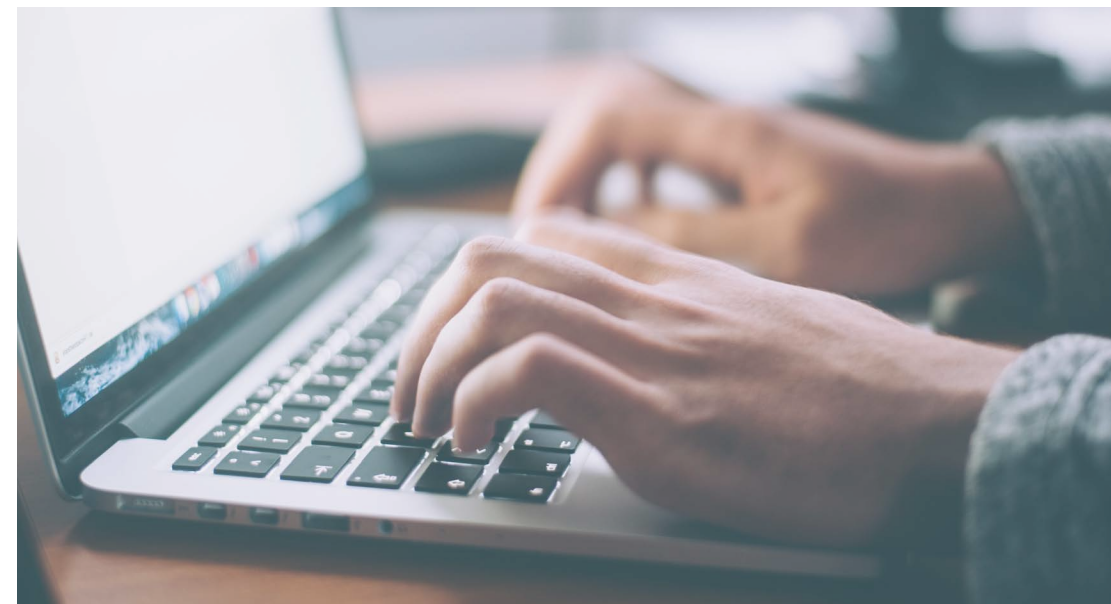
HOW TO WEATHER THE SHIFTS

We recommend leaning on your old friend — first-party data. There’s a trusted value exchange that underpins first-party user data, where consumers consent to share their identity with a publisher. That makes for insights tied to real people, not device IDs or proxies. We also suggest taking a tip (or four) from programmatic media vendors who are best adjusting to “cookie-less”:

- Build strong direct audience relationships.
- Create a compelling value exchange by creating a successful user authentication strategy.
- Work with trusted partners committed to data ethics and privacy who allow publishers to retain control of their data at all times.
- Learn how to effectively communicate the benefits for user authentication, which allows for more relevant ads and a better user experience.

USER CONSENT UPDATES

More than ever, user consent is driving data privacy compliance. For example, many brands have started asking users if they mind tracking. This one move accomplishes two things. One: It provides a premium web experience tailored to their wants and desires. And two: It helps build trust. It’s also important to note that the removal of 3rd party cookies will not 100% block unseen companies from acquiring user data without consent — it will simply hinder them.





DATA PRIVACY LAWS

Privacy laws are leading the way in providing consumers with a voice in how their data is shared, sold, and used. As you might have guessed, consent is the main avenue, although data privacy laws offer many additional privileges for consumers interacting with a brand's website.

“DO NOT TRACK” PRIVILEGE

Do Not Track is a staple of Europe's GDPR, and the recently passed (2020) California Privacy Rights Act (CPRA) enables this right in the US. The 'Do Not Track' function allows consumers to state, “Do Not Track Me.” Not tracking users means a website must not use any means of monitoring a user while they visit a brand's website. This ban on tracking users through analytics will affect the ability of brands to know the effectiveness of ads and website performance.

Thirty-one states have data privacy bills in committee —but for now, just three states have actually enacted laws:

- California - [CCPA](#) and CPRA (mentioned above)
- Colorado - [ColoPA](#)
- Virginia - [VCDPA](#)

The California, Colorado, and Virginia laws all provide consumers with rights and choices regarding data collection on the internet. They spell out compliance for companies doing business and provide consumers who engage with those brands, options and rights.

There are movements in congress to enact data privacy regulations at the federal level. The latest effort is the Data Protection Act (DPA). Senator Kirsten Gillibrand introduced the bill in June of 2021. The act uses many of the same types of compliance regulations as California's CPRA and Europe's GDPR.



04

MUST-DO MOVES FOR MARKETERS

Yes, third-party tracking's days are numbered, but that doesn't mean all is lost — far from it. You can still persist data and preserve personalization, with a little creativity.

Let's get right to it. →





TACTICS TO PERSIST DATA

When you have a trusted relationship with a user, it's important to consider how you can leverage that relationship to keep the data flowing. We have several recommendations:

MARKETER & MEASUREMENT STRATEGIES

- Incentivize **logging-in** and value – add reasons for users to provide their e-mail address.
- Make use of **explicit data** – the things users tell you about themselves – through CRM, surveys, form inputs, etc.
- Expect (and prepare) to optimize towards aggregate data.
- Put greater emphasis on the **customer journey** and **optimizing for the next desired action**. Think: conversion value modeling.
- Incorporate **identity resolution** into your MarTech stack and workflow, using a CDP or combination of platforms.
- Investigate **UID2** – a universal identifier created by Trade Task that allows for data sharing and protects consumer privacy.

TACTICS TO PRESERVE PERSONALIZATION CAPABILITIES

While the removal of all third-party cookies won't impact onsite personalization, faster 1st party cookie expiration will. We're specifically talking about re-bucketing. First-party cookies get deleted faster, and previously-known users are reassigned to new experiences. With that said, let's look at our tips for preserving personalization:

- Keep synchronization top of mind at all times.
- Capture e-mail onsite, but only pass where allowed.
- Use dynamic (landing page) parameters to pass audience, IDs, and other attributes to use in personalization.
- Expand landing page parameters to pass audience and other attributes for Media-to-Site personalization. Example: Value Track Parameters.
- Focus on driving users to the next step in the customer journey. As cookie persistence becomes more limited, this becomes critical.



WHAT IS IDENTITY RESOLUTION?

We mentioned the phrase a few times, but let's take a closer look.

Identity Resolution is the ability to join data from multiple sources and maintain a single visitor profile.

BENEFITS

- A better understanding of how customers interact with the web, mobile, and IoT channels and which devices are best suited for content creation, support, merchandising, and marketing initiatives.
- Key marketing technologies fuel the freshest and most complete set of 1st party visitor behavioral data.
- MarTech tools operate at peak performance with key information needed for improved decision-making.
- Previously anonymous visitor behavior will fulfill critical gaps in customer knowledge when cross-device activity merges with known customer profiles.

As you can see, Identity Resolution is vital to data collection. And it's just one of the many capabilities of our next focus: CDPs or Customer Data Platforms.

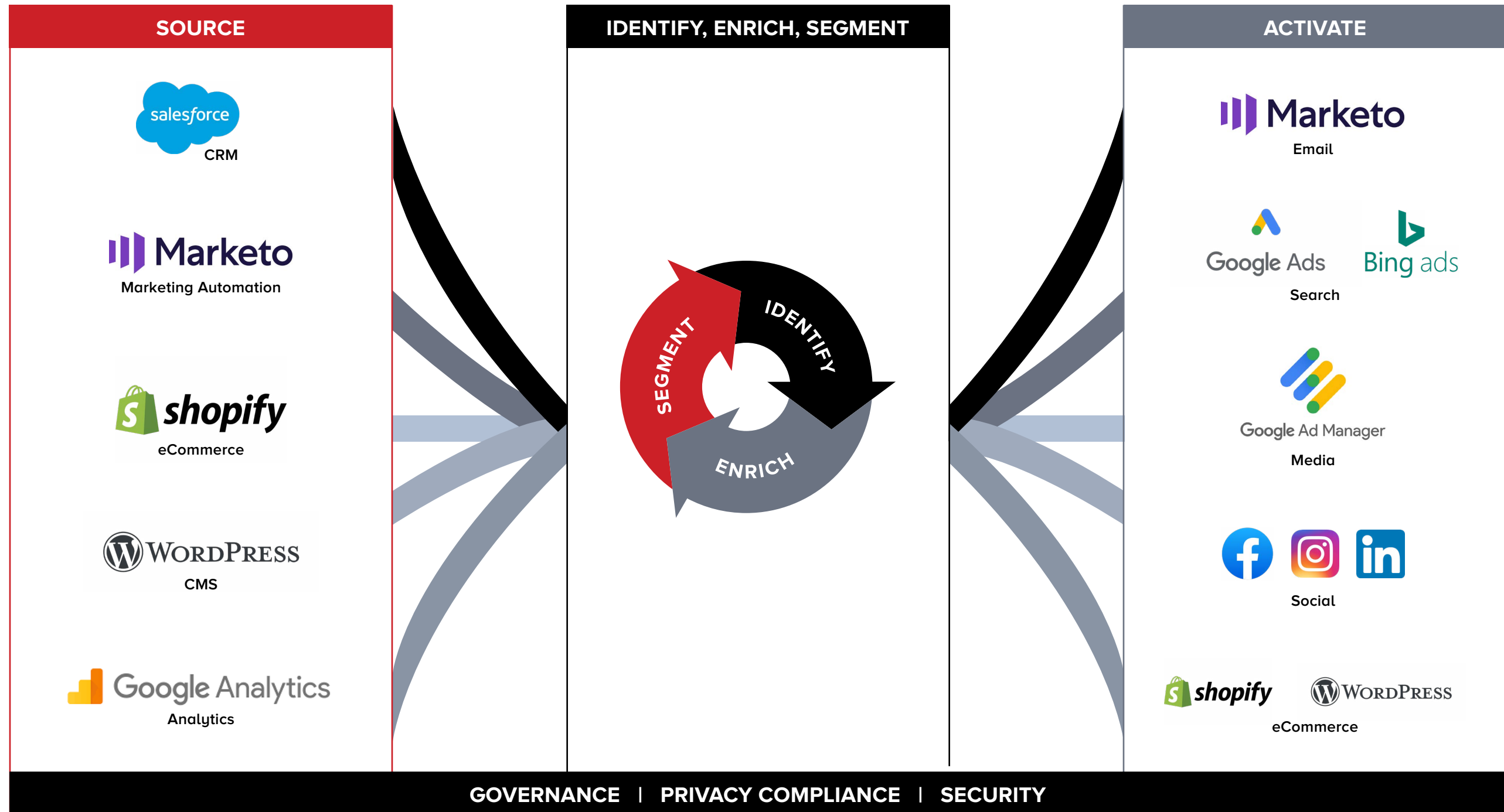
YOUR MVP: CUSTOMER DATA PLATFORM (CDPs)

With cross-site tracking on the outs, first-party data will become king. Customer Data Platforms (CDPs) are the easiest, safest way to store and unify all of that precious data from profiles and transactions to biographic and psychographic data. CDPs deliver the capabilities you need to address a cookie-less future, including:

- Continuous profile stitching across sessions, devices, and ingested data.
- The ability to define the structure, taxonomy, and hierarchy of your data.
- Segmentation of data into the cohorts for targeted messaging.
- The ability to restrict data access, providing visibility into data sharing, and compliance controls for consumer choice.
- Current customer base and segments for “lookalike” audiences in Google and Facebook.
- E-mail with almost every customer profile, making it an excellent solution for email marketing.
- Augmentation of 1st party data with 2nd and 3rd party data to improve segments and target specificity.
- Ownership of a brand's audience.

DATA TRACKING IN A COOKIE-LESS WORLD

HOW DATA FLOWS INTO CDPs





HOW CDPS HELP WITH MEDIA ACCURACY

The capabilities just keep coming. Let's touch on the media advantages of CDPs:

- With a server-based approach, you get the benefit of bypassing ad blockers and recovering data.
- You can leverage advanced matching capabilities from your CDP – name, IP, e-mail – when pushing server-side calls to media providers.
- With a server-side endpoint, the capability exists to reset tracking cookies (GA) to be more resilient against Safari ITP and restore entire cookie lifetimes.

THE PERSONALIZATION PERKS OF CDPS

Remember how we mentioned the importance of preserving personalization in a cookie-less world? Customer Data Platforms can help with that, too. Let's break it down. CDPs let you:

- Deliver dynamic content to customer segments using contextual, first-party, and third-party data.
- Determine audience personas through site behavior, demographics, CRM, and DMP data.
- Target in real-time using data-driven consumer segments.
- Deliver custom experiences across devices and channels.
- Leverage machine learning to optimize experiences against a hold-out group, ensuring continued ROI.
- Integrate experiences across display ads, web, email, app, and in-store.

DATA TRACKING IN A COOKIE-LESS WORLD

Now that you're familiar with CDPs and top data-gathering tactics, you can be ready for any data-privacy curveballs that come your way.

Questions about cookies, iOS 15, consumer privacy regulations, or something in-between? [Contact us today!](#)

We're here to help.

