



“ Technology does not need vast troves of personal data, stitched together across dozens of websites and apps, in order to succeed. Advertising existed and thrived for decades without it. And we’re here today because the path of least resistance is rarely the path of wisdom.”

Tim Cook

Apple CEO

2021 CPDP Conference keynote

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Executive summary

By early 2022, all major web browsers will have phased out third-party tracking cookies to respect the growing call for customer data privacy. For most marketers, this paradigm shift presents enormous challenges as they reimagine their strategies for customer acquisition.

Yet third-party cookies are inherently problematic, from limited targeting capabilities to inaccurate attribution. Their loss presents an opportunity to provide a smaller group of high-value customers with higher-caliber and increasingly personalized experiences—in other words, to replace indiscriminate targeting with real value at every step of the customer journey. Through first- and second-party data pools, strategic data partnerships, contextual advertising, and real-time technology, you can develop stronger relationships with both new and existing customers to drive business growth.

Not only can you survive without the third-party cookie—you can thrive in a completely new digital marketing world where customer relationships are built on a foundation of real-time engagement and trust.

Introduction

Once upon a time, more than two decades ago, there was a world without third-party tracking cookies—those handy pieces of code added to web browsers that retain user data to offer personalized web experiences. Browsing the internet was the same for everyone, whether you were a college student in Abu Dhabi or a retiree in Zürich. And data privacy concerns were almost nonexistent—for the average web user, at least.

Fast-forward to today, and the digital world looks very different. More than 77 percent of websites use tracking cookies, as well as 82 percent of all digital ads, according to [eMarketer](#). As a result, the web has become ultra-personal, recognizing users' locations, browsing history, preferences, and more.

But for many, ultra-personal is too personal—consumers don't like the feeling of being tracked across the internet. Seventy percent of U.S. adults want data regulation reform, according to [eHealthcare Solutions](#), and [eMarketer](#) found that 63 percent of internet users believe companies should delete their online data immediately.

The public's sensitivity to data privacy has triggered big changes from Silicon Valley. [Firefox](#) began blocking third-party cookies in 2019 and more recently cracked down on trackers

that use caches to create “supercookies.” Apple followed suit in 2020 by disabling third-party cookies in Safari and announcing discontinued support for its IDFA (Identifier for Advertisers) in iOS 14. The final nail in the coffin: Google announced in 2020 that it would block all third-party cookies in Chrome by the end of 2022, and that that it will not create alternative identifiers to track individuals as they browse across the web, nor will it use them in its products.

Cookies are going extinct, fast, and marketers are left to deal with the fallout. Transforming customer acquisition and retention strategies on a dime is a daunting task. But we believe this cloud has a huge silver lining—because cookies were never a perfect solution to start with. In this guide, we’ll take a comprehensive look at why third-party cookies don’t deliver the customer relationships you want, how their disappearance will affect marketing, and practical steps you can take to transition successfully to a personalized, effective, cookieless future.

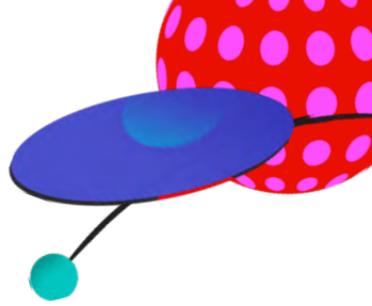
“ There won't be a silver bullet that will solve for the evolution past third-party cookies. It's going to be a collaborative effort with multiple pillars of the advertising community coming together.”

Mike Ragusa

Senior Expert Solutions Consultant, Adobe

PART ONE

Getting real about third-party cookies.



When you buy display media with an ad network, third-party cookies can help you track their browsing behavior, collect demographic and geographic information about them, and harness this third-party data to gain valuable insights into their interests—all of which can be used to create targeted digital ads. While it's true that you're losing a monumental capability with the demise of the cookie, this overshadows a more important point.

Types of cookies—how they're created, how they're used, and how they differ.

First-party cookies	Second-party cookies	Third-party cookies
Occur only within a company's own domain	Can be used within and outside of a company's own domain	Acquired through websites outside of a company's own domain
Have functional or analytical purposes, such as session or persistent cookies	Come directly from a data-sharing partnership agreement (second-party data is another organization's first-party data)	Primary uses include advertising, including remarketing ads, and off-site behavioral tracking
Store on-site behavioral data such as language preferences, shopping cart items, and usernames Include private data shared directly by the customer, such as email addresses or phone numbers	Can be anonymous, pseudonymous, or personal, depending on the partnership agreement, and are based on consumer opt-ins	Don't capture personally identifiable information (PII)

Third-party data makes up a huge portion of data spending for many businesses—and well over half of U.S. budgets, per [eMarketer](#). And despite existing policies against third-party cookies in browsers such as Safari and Mozilla, year-over-year spending on third-party data has increased, according to [IAB](#). If you look at marketing as an investment—your company’s money in exchange for customers’ attention—then some diversification is badly needed. Over-reliance on one marketing tactic can be just as dangerous as investing in only one company’s stock—and third-party cookies are like a stock whose fundamentals aren’t sound.

The personalization and privacy paradox.

The biggest downside to third-party cookies is that consumers don’t trust them—and that erodes their trust in your brand. Cookies are hard to avoid, and permission pop-ups don’t relieve consumer uneasiness because they aren’t truly transparent. Most people would need a lawyer to interpret the fine print—which, per [Vox](#), means customers usually click “accept cookies” without reading the disclaimer.

After years of demanding greater transparency and control over privacy, the public has succeeded in getting government policies passed such as GDPR (General Data Protection Regulation) in Europe and CCPA (California Consumer Privacy Act) in the United States.

Both GDPR and CCPA broke new ground in terms of consumer data protections, but they also caused their fair share of frustration among businesses and users. Compliance has been a struggle for many companies, enforcement is difficult, and consumers are left with only slightly greater transparency—plus the burden of responsibility for understanding the data privacy ecosystem.

Still, consumers don't want to let go of personalization. Despite their privacy concerns, 80 percent of customers expect a tailored experience on the web, according to [McKinsey](#). And they're looking to you to resolve that paradox for them.

What consumers say about personalization.



91% are more likely to shop with brands that provide offers and recommendations that are relevant to them.



80% are more likely to make a purchase from a brand that provides personalized experiences.



63% will stop buying from brands that use poor personalization tactics.

Source: [Forbes](#)

“Customers want brands to interact with them in a new way,” says Asa Whillock, director of product operations and strategy at Adobe and a leading expert on personalization and privacy.

The customer identity crisis.

Given that effective and ethical personalization is the gold standard in digital marketing, it's surprising how much marketers still rely on third-party cookies, which are ineffective at gathering data across unique devices and in individual web browsers.

Facebook Vice President Brian Boland predicted the demise of cookie-based measurement back in 2014, in an Ad Age op-ed, stating: “We'll look at cookie-based

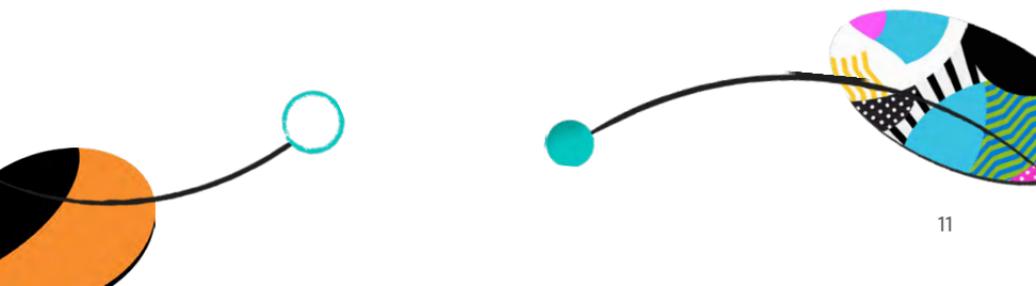
measurement in two years the same way we look at a tricked-out 1992 Dell today—antiquated and inefficient."

And as [The Next Web](#) reports, campaigns using third-party cookies overstated ad reach by 89 percent, understated frequency by 47 percent, and understated display and video conversions by 41 percent. Inaccuracies like these make it impossible to determine if your ads are reaching the right people and achieving the desired results.

The reality is that today, over-reliance on cookies may actually hurt personalization efforts. When cookies were first implemented, the average consumer had access to only one connected device and you could reasonably associate every device with a specific user. But today's consumer has access to about 10 connected devices, according to [Statista](#).

Making the customer experience consistent across all of those devices is critical to establishing value, but that's a tall order if you rely on third-party data. For example, a customer might make a purchase in transit on a smartphone before sitting down at their laptop later the same day. Third-party cookies recognize only the device, not the customer, which means people will still receive ads on their laptop for the item they just purchased.

That subpar experience is likely to annoy them, or feel like a disconnect—which ultimately reflects on you. And you've wasted your marketing dollars on a bad ad spend, a waste that compounds over time.



Partner perspective.



Sheri Bachstein

Global Head of Watson Advertising and
The Weather Company

Sheri Bachstein of IBM discusses how the cookieless future will transform the advertising industry—and why AI will be at the center of that transformation.

The path forward is not about replacing the third-party cookie—instead, it's about designing a sustainable long-term solution that delivers better results for marketers. For us to make formidable, much-needed changes to the whole ecosystem, we can't be using point solutions. We also need to avoid challenges with privacy legislation and options that give big tech too much power to remove identifiers and make decisions for all of us.

Third-party cookies informed marketers only about the past, and that's simply not good enough anymore. The way forward is going to take a combination of first- and second-party data. We have such amazing technology that can help us predict the behaviors of consumers. To transform the advertising industry, we're really putting our effort behind artificial intelligence (AI) because it's proven. We know it works.

AI augments—not replaces—human thinking. It can take massive data sets and see patterns. And it will be incredibly powerful because you can achieve scale. For example, my publishing

platform sees 350 million consumers every month. I don't need to collect identifiers from all of them in order to deliver to my marketing team or our partner brands.

That's because AI uses the environmental data and consumer behaviors to create insights. It can look at consumer behaviors and decide in real time what advertising creative is best suited for that user. So, while you and I might be looking at the same website, we'll see different ads because the AI has learned what messaging and images resonate with me versus you. And it's all done without knowing who I am.

There are three things everyone should be thinking about right now. One is being consumer-minded—providing consumers with relevant, valuable content while protecting their privacy. Second is building long-term sustainable solutions that won't face threats. That will help us drive revenue across the entire ecosystem. Third, we need to share tech across the entire open web. It shouldn't be held back by one walled garden. This is the transformation that needs to happen.



There are three things everyone should be thinking about:

1. Being consumer-minded
2. Building long-term sustainable solutions
3. Sharing tech across the entire open web



PART TWO

Confronting acquisition challenges in a cookieless world.

For all the shortcomings of third-party cookies, the marketing industry doesn't have a perfect answer for how to acquire customers without them. Third-party data may be a blunt instrument, but it's easy to obtain, affordable, and vast in quantity.

Although panic hasn't set in yet, marketers are waking up to the profound change they're facing. As [eConsultancy](#) reports, only 36 percent of marketers feel they have a good handle on what a cookieless future will look like. And [Epsilon](#) found that most marketers feel unprepared for this change, with 63 percent of marketers feeling "disappointed, frustrated, overwhelmed, helpless, and even confused."

The obvious answer to the loss of third-party cookies is that they'll be replaced with first-party data—data shared willingly by the consumer. "Going into 2022, first-party data and known customer IDs are going to be the common currency for the advertising landscape—and those types of identities that transcend digital online presence, such as email and phone number," says Mike Ragusa, senior expert solutions consultant at Adobe.

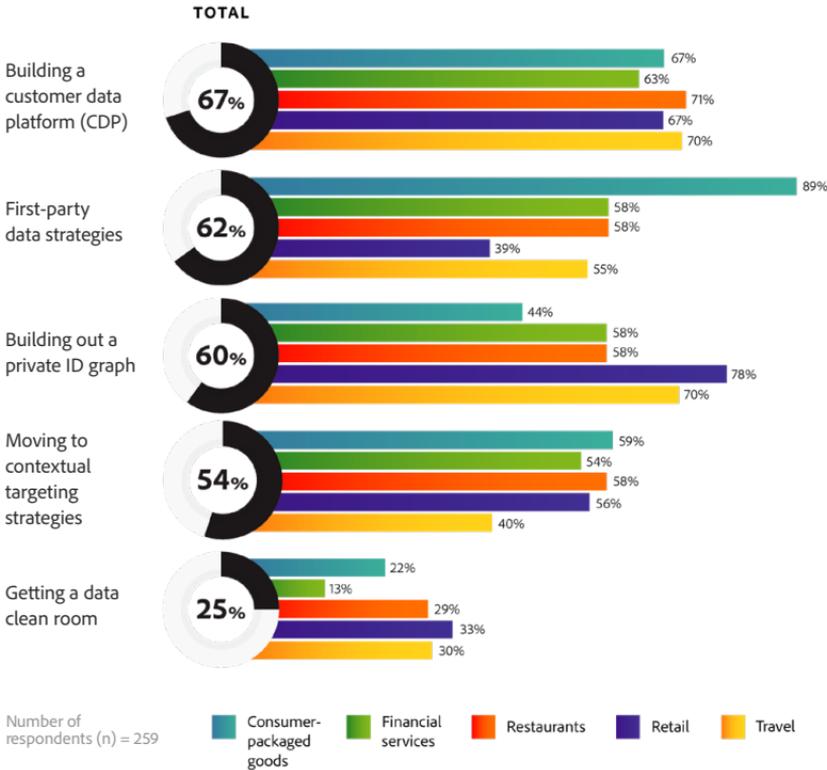
First-party data checks all the boxes—it's personal, durable, and transparent. In an ideal world, marketers would have access to all the first-party data they needed so they could deliver stunning, unique experiences without ever crossing any privacy boundaries.

Unfortunately, it's not as simple as that. First-party data presents several considerable hurdles to customer acquisition.

Diminished scale.

First-party data can be hard to obtain. Unlike third-party data, you have to “earn” it—there isn’t a shortcut that money can buy. All types of companies, whether they're high authentication or low, will need to solve the puzzle of how to gain more first-party data in a cookieless future.

What steps are you taking to address the impact of third-party cookie deprecation?



Source: [Epsilon](#)

Third-party data—even when pseudonymous—has always worked reasonably well for customer acquisition because of its sheer volume. It's the digital equivalent of handing out flyers in a neighborhood that meets your general demographic requirements. You develop audience awareness, capture some interest, and convert a certain number of people into customers.

These conversions don't cost you too much money, but you run the risk of annoying some people—and wasting budget on people who weren't a good fit to begin with. It isn't perfect, but it gets the job done.

First-party data, on the other hand, comes from the customers you already have—not the ones you want to convert. As you gather first-party data, you'll be able to serve your existing customers better than ever—but it won't help you acquire any new ones.

"Precision is going to increase, but scale may very well decrease," says Ragusa.

You'll have to find success using a much smaller data signal in a much shorter period of time, says Asa Whillock, director of product operations and strategy at Adobe. "You don't have three interactions where you can buy data in advance, personalize a little bit when customers show up, and then court them after the fact in case they didn't do what you wanted them to do."

The limitations of "walled gardens."

In response to the limitations of their own first-party data, many businesses are tempted to rely on other companies who are naturally rich in authenticated users and first-party data and who

allow other businesses to use that data for targeted advertising on their platforms. Think Facebook, Google, and Amazon—closed-loop ecosystems that will command even more digital marketing power once cookies vanish. These kinds of companies are often called “walled gardens.”

Walled gardens specialize in what Facebook first called “people-based marketing.” The term means just what it sounds like—forming relationships with individual consumers and reacting in the moment, a strategy that takes inspiration from the days where in-person shopping was a customer’s only option. Customers guided their own experiences according to their preferences, and everything happened in real time. The goal of modern people-based marketing is to translate the in-person experience into a digital one.

“In the walled gardens of Google, Amazon, and Facebook, the customer remains logged in within these ecosystems across devices,” writes [Invoca](#) Senior Content Marketing Manager, Owen Ray.

“ The feasibility of people-based marketing could be limited for brands that don't have adequate first-party data and login information about their customers.”

Owen Ray

Senior Content Marketing Manager, Invoca

There's a lot to learn from this people-based approach when it comes to encouraging authentication as a way to navigate a cookieless world—which we'll discuss more in part three. But when it comes to relying on walled gardens for customer acquisition, there are some things to consider:



Loss of control over data.

The third-party cookie marketplace was free and open. Companies could buy or sell data as they saw fit, maintaining total independence over their own first- and third-party data. Within walled garden ecosystems, however, this isn't the case. Depending on the arrangement between a company and a walled garden, the walled garden may gain access—or even ownership—over a company's data. Because of the increasing value of first-party data, as well as the increasing power of walled gardens, handing over data ownership can put businesses at a disadvantage. If you decide to work with a walled garden, proceed with caution.



Loss of control over analytics.

Walled gardens—Google, in particular—don't give their partner companies access to the raw data they need to run their own analytics. While walled gardens offer analytics services of their own, this scenario lacks transparency, preventing companies from slicing and dicing their data in the way that best serves their unique needs. Be careful of partner organizations that insist on grading their own



homework—especially when they don't allow you to double-check their work.

The transition away from third-party cookies should increase transparency at every level, including analytics.

While working with walled gardens may be the right choice for some companies, know what you're getting into before you sign a contract. Walled gardens are already coming under scrutiny for monopolizing search, social networking, and online marketplaces. Working with Google and Facebook only reinforces the stranglehold they have on the digital advertising market.

Walled gardens should be a channel, not a partner.

Avoiding walled gardens altogether is difficult, if not impossible, in digital marketing. But you don't need to enter into a data partnership with them to use their web properties.

According to Katie Li, audience management director at Merkle, "I would be hesitant to work with one of the walled gardens because you have to give up some of your control and independence. I'd be more comfortable using a company like Adobe because they're building your database for you. It's on the cloud, but you own it. Look at walled gardens as just one of your channels—or think of them as your legs, but not your heart and soul. And keep control over all your private IDs. Solutions such as Adobe Experience Platform already connect with Facebook and Google, so you can still use them while staying in control. I think that's really, really important."

Partner perspective.



Brad Herndon

Managing Director, Personalization, Data
and Analytics Practice Lead, North America

Brad Herndon of Accenture Interactive discusses how brands can track customers more effectively than ever—and create experiences that put their needs first.

For marketers, this is an opportune time to prioritize first-party data, identity graphs, and other in-house data repositories. These data sources should be independently owned, designed, and maintained.

It's critical to centralize customer and other owned first-party data (e.g., site behavior) into a holistic customer view and establish a persistent cross-channel customer ID—organizations can no longer afford for customer data to be “owned” by IT and behavioral data to be “owned” by marketing.

While prioritizing first-party data is important, “first-party data acquisition” cannot be a tactic in itself. It needs to be a complement to reimagined customer experiences. We're living in a time where evolving and creating meaningful experiences will be more important and effective than ever. With the emergence of real-world AI/ML capabilities, there are an increasing number of new and unique ways to understand customer interest, preferences, and

motivations so you can create a unique value exchange that puts the customer first.

Data should also be enabled across all organizational units and platforms (adtech, martech and more) for audience segmentation, targeting, and measurement so that it can be used consistently to inform creative and content all the way through to media activation.

A number of new and existing technology platforms can help brands begin to move away from cookie reliance. Many adtech companies are investing in privacy-compliant anonymized ID solutions that promise to provide a persistent understanding of behavior and performance. Adtech players are coming together to share anonymized IDs through unified frameworks and co-ops. While a large and growing pool of participants sharing IDs does increase accuracy and match rates, it's still too early to judge effectiveness and long-term viability.

Also, remember that some tech companies provide and continue to evolve server-side data collection and distribution capabilities, preventing a reliance on browsers—and, by extension, cookies. Ultimately, more effective technologies will evolve. In the meantime, deploying existing solutions described above, in conjunction with a proprietary data set and appropriate publishing partnerships, can help brands track consumers effectively, even after all the cookies are gone.



PART THREE

Planning for success without the third-party cookie.

If you don't have all the first-party data you need to succeed without third-party cookies, there are plenty of ways you can continue to develop your audience and start reaching new ones. The approach will look a little bit different for every company—there's no single correct path forward.

In this section, we'll cover four strategies.

Earn authentication to build authentic relationships.

The most straightforward way a company can gain more first-party data is simply to ask for it. If you don't already have an authentication strategy in place, you should consider creating one.

Authentication could be signing up for a newsletter or signing into an account using an email address or phone number. From there, every action taken on a business's web property is stored in that customer's profile, adding value at all levels: individual, segment, and full customer base.

"In 2021, we're going to see companies requiring more forms of authentication," Ragusa says. As nearly all companies start collecting authentication data, they'll be able to provide better customer experiences everywhere their customers go—all while maintaining ownership of their first-party data.

In a cookieless world, authentication can no longer be an afterthought—especially if you want to steer clear of walled gardens.

Universal identifiers—pros and cons.

Authentication—the basics.

Authentication	High-authentication industries	Low-authentication industries
<p>When customers give a company a verifiable, durable piece of identity data, they are considered authenticated.</p> <p>Common examples include signing up for a newsletter or new account via email address, or logging into a website with a username and password.</p>	<p>Businesses that typically require a user to sign in before accessing resources or information are considered high authentication. Typical industries are finance, healthcare, and entertainment.</p>	<p>For some businesses, users don't need to provide personal information or form an ongoing relationship to get the value they're seeking. These are low-authentication businesses.</p> <p>Typical industries are retail, manufacturing, and media.</p>

Ever since third-party cookies started going away, companies such as IAB Tech Lab's DigiTrust, the Advertising ID Consortium, and TradeDesk's Unified ID 2.0 have been working to replace them with universal identifiers—that is, identifiers that can work within and outside of your own web domains. While the idea has its merits, it also has a few downsides. Introducing yet another piece of data into your system creates a delay, which is the opposite of what you want in a world of real-time personalization. Plus, the wide array of emerging identifiers suggests that no one system might actually become universal.



Instead of another ID, marketers need a system that can stitch together all the right pieces of data—such as a customer’s email address or phone number—and apply them across channels. This is one great reason to make sure you’re on top of your authentication strategy.

Up-front authentication isn’t an absolute—it doesn’t make sense for every type of business. For example, in finance and healthcare it makes sense to authenticate users at the start because you’re dealing with sensitive personal information. In other industries, such as manufacturing or media, you might ask users to authenticate only when they reach a certain point in the customer journey.

Strategies for consumer-packaged goods and other low-authentication industries.

“If there’s a good relationship and a good return of value for being part of your program, there’s quite often a wealth of information that could be shared by a consumer with a retailer,” says Michael Klein, global director of industry strategy and marketing at Adobe. He recommends offering a quid pro quo to customers such as compelling content, discounts, or other benefits.

Other recommendations from Klein:

- **Get your SEO in order.** Strong organic search placement will help with acquisition and soften the blow of losing third-party cookies.
- **Find the right data partnerships.** Sharing second-party data with complementary companies can expand your reach without giving up your autonomy. (We’ll discuss this in the next section.)
- **Consider a subscription model.** While subscriptions won’t help increase your reach, they can strengthen customer relationships and provide recurring revenue.

Authentication best practices.

1. Start by evaluating your current authentication practices—including whether authentication is right for your company. Your goal is to capture as much first-party data as you can while offering a wonderful customer experience. What could you start, stop, or change to make this possible?
2. Place your authentication prompt at the most appropriate place in the customer journey for your business, whether that's up front during the consideration phase or down the line at the moment of purchase. If you aren't sure where to ask for authentication, try testing several options until the answer is clear.
3. Avoid making your authentication request purely

Strategies for finance and other high-authentication industries.

Christopher Young, director of financial services industry strategy at Adobe, recommends that high-authentication companies ask themselves four questions:

- How can I prepare my organization for the coming changes?
- How do I handle privacy in the collection of customer data?
- How do I collect the data that I need right now?
- How can I connect this data to a robust customer profile?

"In financial services, there's a higher degree of scrutiny and sensitivity toward risk. Privacy and consent management really matter," says Young. For high-authentication industries, maintaining your existing customers' trust is more important than building out your first-party data. Young urges privacy-forward companies to find technology with rock-solid security and consent management tools. That way, as you scale, you never fall out of compliance.

transactional—it should be a positive and natural part of the overall customer experience.

Whether you're a high- or low-authentication brand, authentication and first-party data won't give you access to customers when they're outside your web properties. What authentication can do is encourage your customers to form more direct, transparent, one-to-one relationships with you.

Share the data wealth through partnerships.

"You're going to need to augment your data. This means a second-party data exchange, where you can work with other well-known brands—brands that matter to you or your consumer," Whillock says.

Second-party data can help you expand your reach and increase customer acquisition because the data is shared among a network of companies, allowing each one to advertise across the others. It has many of the benefits of third-party data, but at a smaller scale.

There are three types of data partnerships to consider:



Private partnerships.

In a private partnership, two companies share first-party data with one another in a closed-loop system. This can be beneficial for organizations with highly sensitive information, or those that have strong existing partnerships—for example, credit card companies and hotel chains. For most companies, however, private partnerships won't help you achieve meaningful scale.



Data co-ops.

Three or more complementary companies sharing data constitutes a data co-op. Each member of the co-op should relate to the others in a meaningful way because outside of your own web domain you'll be able to reach customers only on your partner sites—and this reflects on your brand.



Walled gardens.

Essentially a mixture of the two other types of partnerships, walled gardens offer you a direct, one-to-one data relationship that may include data from their other partners. However, as discussed earlier, you could lose control of your data and analytics—so proceed with caution and consider using tactics that minimize the negative effects, such as placing ads in walled gardens that push customers back to your site.

For most companies, working with a data co-op is the best and safest option to reach customers at scale. Gary Walter at [Ad Age](#) offers five best practices for finding and maintaining the ideal data partnerships:

- **Start by getting on the same page.** Understand what your partners want to achieve through the partnership and why your brands—as well as your data—complement one another.
- **Make sure your standards are similar.** When it comes to privacy and compliance, you can never play it too safe. Make sure your partners won't become a liability.

- **Source good data the right way.** Every partner needs to source data ethically and ensure its quality to maintain customer trust across the co-op.
- **Keep your data fresh.** Data doesn't last forever. Be sure you and your partners agree on how to update, cleanse, and reconcile your data.
- **Include all the right types of data.** To get what you need out of the partnership, specify what data mix you require—as well as what types of data you can offer.

Put your campaigns in context.

If you've been in marketing long, you're probably familiar with contextual targeting. It was a popular method of web advertising before behavior-based personalization tools arrived on the scene, but it's still used as a complementary tool. The strategy is simple—advertise to customers based not on their individual preferences, but on the nature of the content they're engaging with.

You don't need any customer data at all to do contextual targeting, but the problem is that different customers engage with content for different reasons. For example, a user might read an article about getting a good deal on a used car on a publisher's website. The user could be a first-time car buyer, a parent looking to surprise his teenager with her first car, an experienced driver looking for buying tips, or even a non-driver doing research on the automobile industry. Without information on the user, there's a good chance contextual ads will miss the mark.

Fortunately, two fresh approaches to contextual targeting can improve your results:

- **Activate your situational data.**

The subject matter of your content is only a fraction of the information available to you. Within your own web domain, you can determine where and when a user is visiting your site and use that information to target specific types of customers. While situational data has its limits, it can be useful. For example, a clothing company can serve up different ads in January to a user in the Florida Keys and a user in upstate New York.

- **Work directly with publishers in a data co-op.**

Instead of working with a complementary brand, partner with media companies and content-producing organizations that are losing ad revenue with the demise of the cookie. These publishers know their content better than anyone else—and they have an abundance of first-party data to use to ensure customers see the right ads at the right time.

As Seb Joseph of [Digiday](#) writes, “While platform companies like Google and Facebook control an abundance of data about consumer purchases, they don’t own an abundance of content like publishers do. Therefore these platform companies cannot collect as much data about people’s engagement with content. For advertisers with large customer databases, availing themselves of the opportunity to match their own data to the unique rich data sets owned by publishers is a safe, effective bet in a market with a growing scarcity of quality audience intelligence.”

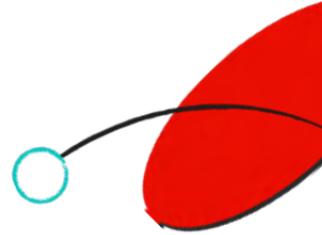


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Seb Joseph

Author

Digiday



Outdated data management platforms.

Platform solutions that worked in the era of the third-party cookie won't serve you in the new marketing landscape. For example, over time a data management platform (DMP) will be phased out as a result of industry changes.

The difference will be obvious when a first-time visitor comes to your site.

"There will potentially be a degradation of the first page experience," Klein says. "Businesses may not be able to recognize customers when they hit their first web page, so that could be a less personalized experience. But once customers start navigating to the rest of the website, businesses with the right technology can read those signals in real time and deliver an even better experience." They can also use the valuable first-party data they're collecting for a variety of marketing and advertising purposes across every channel.

To do this, marketers need two things:

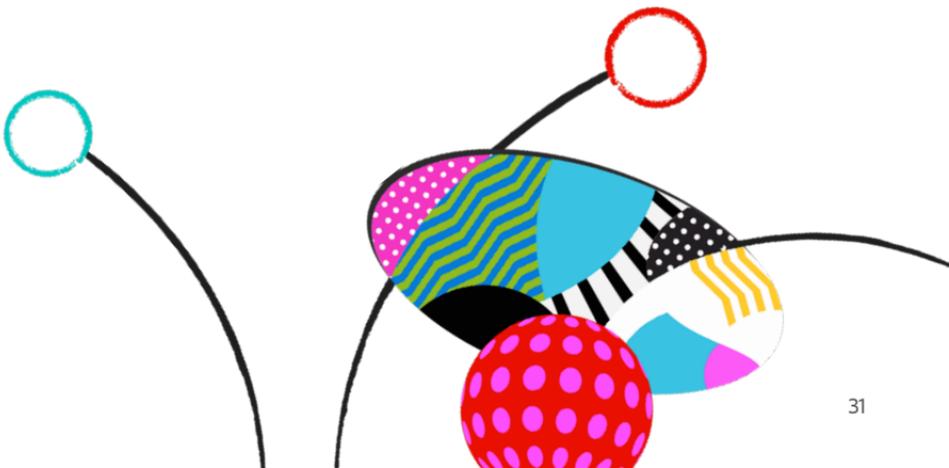
- **A customer data platform (CDP).**

CDPs are built specifically for complete data management across sources and types, and the best CDPs have consumer trust and scalability at their core. By assimilating all user data into individual profiles, you'll get a full view of customers that you can use at the top and middle of the sales funnel, from acquisition and prospecting to retargeting and growing lifetime value.

- **Real-time capabilities.**

With contemporary technology, you can capture important data points as they happen—customer behavior, purchases, service inquiries, and more.

“The machinery that you build as an organization at scale should be able to keep up with your customers’ interests,” says Whillock. “Just like your favorite barista at your coffee shop should be able to keep up with the kinds of things that you're interested in without needing your name, your email, your phone number, and your Social Security number.”



Develop a strategy for lifetime value.

Meaningful relationships with customers drive business growth, and technology has made it possible to build those relationships at scale through personalization and high-touch customer experiences. Still, success has always been measured by the value you offer your customers—and that won't change in a cookieless world.

The hard truth of the new paradigm is that you may not be able to reach the same number of customers you could before. The third-party cookie was primarily about quantity. The new reality shifts the focus back to value—but the value you offer over a lifetime of engagement with dedicated customers, not the value you offer to as many customers as you can acquire.

You must plan to invest in your existing customers in a way you didn't before.



“ Look at your existing customer base. Make sure to respond to any attrition signals. And send them on a journey toward repeat business.”

Asa Whillock

Director of Product Operations and Strategy, Adobe

Partner perspective.



MERKLE

Katie Li

Audience Management Director

Katie Li of Merkle discusses ways brands can adopt new data strategies and technologies to deepen relationships with customers.

Executives and leaders need to look at the coming transition as an opportunity to evaluate how much they're relying on third-party data. The first step is to do an audit on your identity space, technology, and data—how is your business currently using different IDs, and what and how are you budgeting for the digital media world? You might be surprised by what you find.

Then you need to look at the new technology that can help. If you're still using a DMP, it might be time to consider migrating to a CDP, which is custom-built to handle identity challenges. DMPs and CDPs share a lot of similarities, so you can use the learnings, principles, and governance developed for DMPs to kick-start your CDP.

It can be tempting to try to use the best vendors in every category, but this can be problematic. Tech solutions—even if they are best in class—won't serve you if they don't talk to one another. For example, if your personalization technology draws from data that's

several months old, are you really giving your customers the best possible experience?

It's important to seize this opportunity to update your technology and data strategies so you can go deeper with customers than third-party data ever made possible. Think of it like online dating—you can connect with a ton of people, but you don't really have relationships with them until you put in the work. A big number of connections alone won't get you anywhere.

In the past, with DMPs and third-party cookies, the trend was to get as many people as possible inside the door. But for a business to be successful in the long run, you need to sustain and nurture each relationship. There are lots of positives here because we're moving past the anonymous crowd into relationships with individuals.

There are a few ways to make this work in practice. The first thing you need is some form of value exchange. You can't expect customers to give you their data for no reason. There are tons of ways to do this—coupons, rebates, discounts, and so on. Another way I've seen businesses do this is through gaming. You can gamify your loyalty program, for example, to draw people further into your brand's ecosystem.

Regardless of how you get your first-party data, the important thing is what you do with that data afterwards. It's all about how you nurture the relationship and deepen it over time.

PART FOUR

Putting it all together—your step-by-step guide to creating a cookieless strategy.

We've outlined a high-level vision for a cookieless future and shared some best practices—now we'll distill those concepts into a practical set of actions:

Seven steps to thriving without third-party cookies.

1



Assess where you are

2



Streamline to a single domain

3



Consolidate your data

4



Capture durable identifiers

5



Use contextual targeting

6



Use publisher targeting

7



Follow privacy regulations and guidelines

Justin Merickel, vice president of business development for Adobe Experience Cloud, recommends the following steps:



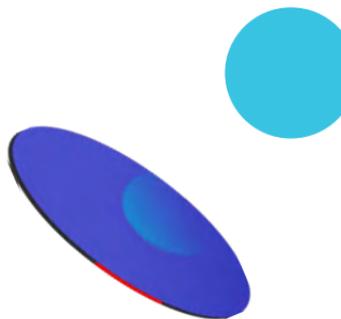
Step 1: Assess where you are.

Before you jump into building and enacting your cookieless strategy, take a realistic look at how your company handles first-party data.

Ask your team:

- How are we currently capturing first-party data?
- What customer journeys are most successful in capturing first-party data?
- How can we replicate or improve our customer journeys to promote greater data sharing?

Think of this exercise as building a solid foundation for cookieless marketing. The better you understand how your organization gets its first-party data, the more you can do to increase it.





Step 2: Streamline to a single domain.

Disconnected domains fragment your first-party data pool, making it harder to apply personalization and gather insights across your web properties. When you use a single domain, you can ensure that all customers—new or returning—benefit from your full data pool.

Action items:

- Evaluate whether your business can streamline web domains, and if possible, do so.
- Set server-side first-party cookies to ensure you're capturing all customer data in real time.
- Get visibility into behavior with customer profiles and gain insights with analytics.
- Store your data safely outside the browser to avoid losing important profile information.



Step 3: Consolidate your data.

Whether or not you choose to operate in a single web domain, keep all customer data in one place.

When customer data lives in silos, you have only a partial view of your audience and can't offer the best possible experiences. Without

third-party data to cast an ultra-wide net for acquisition, treating your existing customers with care is extra important.

Action items:

- Create unified customer profiles.
- Deliver high-caliber, personalized experiences across every channel.
- Ensure your technology complies with regional and organizational governance requirements.



Step 4: Capture durable identifiers.

Durable identifiers—meaning data that rarely expires, such as email addresses and phone numbers acquired through authentication—are the gold standard. They provide a stable data foundation you can build on over time.

Action items:

- Evaluate the types of first-party data you're currently collecting.
- Consider implementing or updating your authentication strategy.
- Ask customers to verify and update their emails and phone numbers regularly.



Step 5: Use contextual targeting.

Across your own or partners' web domains, use contextual targeting to reach new and existing audiences and create brand awareness. Today's contextual targeting is highly advanced, and the best partners process content from a huge number of web pages every day, gathering insights and associations that cover thousands of topics.

Action items:

- Find ways to sell, cross-sell, or upsell audiences within your own domain based on context.
- Build contextual advertising relationships with partner organizations.
- Work closely with partners to ensure your marketing campaigns coordinate with your chosen contexts.



Step 6: Use publisher targeting.

Similar in many ways to contextual targeting, publisher targeting takes your ads a step further. By applying their own first-party data and insights along with yours, top publishers like The New York Times or WebMD can target audiences with a high degree of specificity. Depending on your needs, you can choose to work with an individual publisher or a coalition. Unlike working with walled

gardens, such as Facebook and Amazon, you can keep (and run analytics on) your own data.

Action items:

- Locate a publisher or publishing coalition whose content relates to your business.
- Carefully review the publisher's audience base to ensure coordination with your own.
- Optimize your campaigns regularly to ensure the best possible performance across publisher sites.



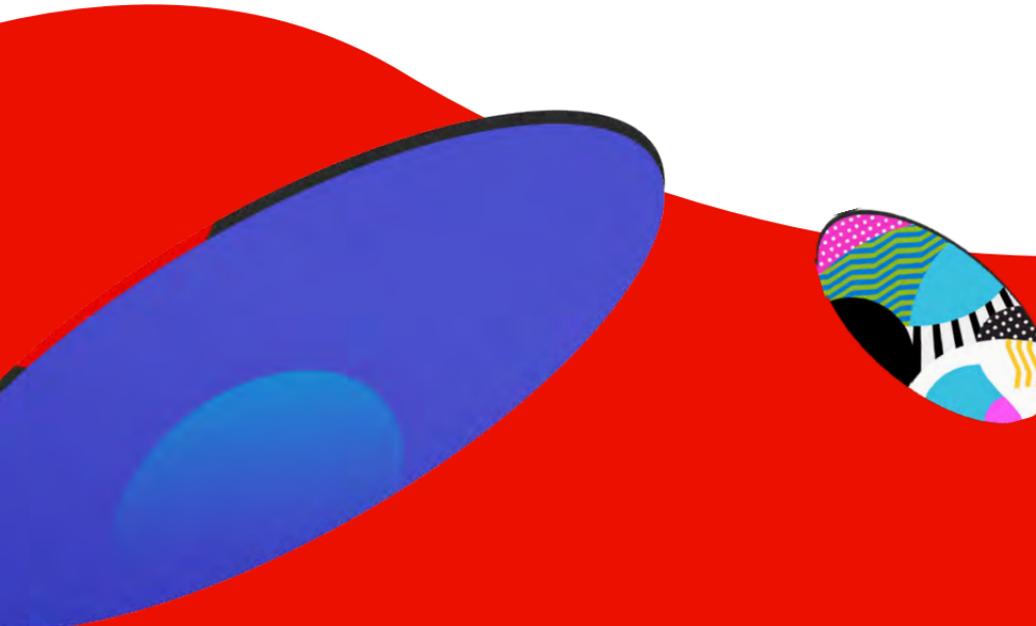
Step 7: Follow privacy regulations and guidelines.

Respect for consumer privacy is the motivating force behind the deprecation of third-party cookies. Monitor existing data governance policies—and proactively listen to and respect your customers' wishes regarding data privacy.

Action items:

- Ensure your marketing technology automatically applies all relevant privacy regulations.
- Maintain an open conversation about privacy with any data-sharing partner organizations.
- Stay up to date on GDPR, CCPA, and other privacy laws.

While nobody knows just what the cookieless future has in store, following these guidelines will put you in a good position to gain and retain customers without third-party data. Revisit your marketing strategy regularly to make sure you're keeping up with the latest tools, technologies, and best practices. And remember that when you put your customers first—no matter what type of data they have to offer—you'll always be on the right path.



Partner perspective.



Joe Obringer
Director of Search and Media

Joe Obringer of Capgemini shares strategies for turning consumers into advocates—so you can drive business growth.

Businesses should use this paradigm shift as an opportunity to further engage their existing customers and to expand their customer base through tactics such as referrals, social sharing, influencers, and loyalty programs. Creating advocates out of your customers will help build your base more organically, and in many cases less expensively.

There's no doubt you'll need more creative ways to attract your audience. However your business sees and differentiates itself in the marketplace, double down on that approach to acquire new customers, whether it's price (sales, discounts), quality (money-back guarantees), or features (something new and different).

The risk with the elimination of third-party cookies is that you'll be targeting the same customers over and over again. That's valuable, but it won't grow your base. You need to provide value to new customers so they feel more comfortable and willing to share their information. Make sure they understand that the data will be

used to help them find products more easily or provide them with discounts or special offers.

Learning more about your customers can help personalize their experience, whether that's through the website, marketing communications, or social channels. That will make them more likely to recommend the business to others.



Businesses need to go "all in" on differentiators, whether its:

- **Price** (sales, discounts, etc.)
- **Quality** (money-back guarantee, etc.)
- **Features** (someone new and different)

in order to attract new customers.

Adobe can help.

Our four pillars of cookieless customer acquisition:

Gain more data		Do more with your data	
<p>Get smart with Customer Journey Analytics</p>	<p>Pave the path to authentication with real-time personalization</p>	<p>Activate your first-party data with Customer Journey Management</p>	<p>Expand your audience, acquire new customers, and get true insights with bias-free advertising</p>
<p>Get the full picture of how customers move through your sales funnel across every channel—online and off. With all your data stitched together in one place, you'll gain entirely new metrics and dimensions that automatically populate into Analysis Workspace, where you can gain incredible insights into your customer journeys.</p>	<p>Personalize the customer journey in real time. By responding to every data signal in milliseconds, Adobe Target helps you create unique paths that lead customers toward a deeper relationship with your business—on their terms.</p>	<p>Put your first-party data to work with cohesive, real-time, customer-led experiences. With tools such as Journey Orchestration, you have the scale, speed, and intelligence to automate unique journeys across all owned channels. Offer value faster, reduce attrition, and increase lifetime value by providing customers with the best experience in every moment.</p>	<p>Connect with customers outside your own domains—even within walled gardens—via second-party data partnerships. Deliver targeted experiences and set up ad suppression for existing customers; use look-alike modeling to reach new audiences. Get unbiased performance analysis via Attribution AI to understand your impact across every channel and segment.</p>

Adobe products

<p>Adobe Analytics</p> <p>Adobe Experience Platform</p>	<p>Adobe Analytics</p> <p>Adobe Experience Platform</p> <p>Adobe Target</p>	<p>Adobe Audience Manager</p> <p>Adobe Experience Platform</p>	<p>Adobe Audience Manager</p> <p>Adobe Experience Platform</p>
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