Cookie Proof

How to prepare for a future without third-party cookies

Insights by

BRIDGE

In late February, agencies from around the country convened in Palm Springs, California for Digiday's Media Buying Summit.

The climes were beautiful: temperature in the Coachella Valley reached the low 80's that week, and Palm Springs, surrounded by mountains on all sides, was an ideal rebuke to the standard mix of cold weather and grey buildings that many Northeastern attendees had endured so far this winter.

But the mood inside the Summit was decidedly less sunny.

Google's recent decision to phase out third-party cookies caused mixed (and panicked) reactions at the Summit, oscillating between a "wait-and-see" approach and full-on, end-of-the-world angst.

"It's all over the place," said Kevin Van Valkenburgh, chief connection officer at The Tombras Group.[1] "Truthfully, I don't think anybody knows what the impact will be until that day gets here but everyone is an expert. [No reaction] is in the middle. It's either, 'This is the end of the world as we know it, we're going back 15 years and we'll have to start buying TV again' or 'it's really nothing and somebody will have a workaround.'"

The prevailing questions at the Summit were:

- How would agencies achieve scale without cookies?
- Employ effective targeting?
- Measure campaigns accurately?

Two camps seemed to develop in response to a cookie-less future. One that was panicked, and the other one was indifferent (although you can make the argument that this indifference was a defense mechanism for the panic).

You can, however, put us firmly in a third camp: the death of cookies is actually a good thing, especially for smaller and mid-size agencies.

1 "How buyers and advertisers are planning for the end of the third-party cookie," Digiday, February 27, 2020

64.45 The percentage of worldwide market share the Google Chrome browser has, as of February 2020 for all platforms (via GlobalStats)

17.45 The percentage market share of the next-biggest browser, Safari

< 2 The number of years until Google phases out third-party cookies from its Chrome browser

We presented this thesis— that marketers should embrace a cookie-less future and prepare for it now— at the presenter's stage at the Summit. It was delivered by our SVP of Business Development, Bruce Budkofsky, on February 26th, 2020.

This whitepaper encapsulates the main tenets of that presentation and is buttressed by new ideas.

A novel position: the death of cookies is a good thing, just like new privacy laws are a good thing

There is a corollary to be found between the death of cookies and developments in data privacy laws.

Europe's GDPR and, more recently, California's CCPA, certainly caused disruptions in the way agencies did business. But after these initial shockwaves, a new order was established: consumers' rights were better protected, which engendered more confidence in the data economy as a whole. Bad actors were removed and the data pool was cleaned up. Companies that enforced lax data practices— or, worse yet, acted in outright malicious ways towards consumers— were penalized. After the initial scramble, agencies got back to their regularly scheduled programming.[2]

We foresee a similar chain of events when cookies are phased out of Google Chrome in two years. For companies that "punt" on cookies and don't make effective changes now, the initial shockwaves will be seismic and potentially insurmountable. But companies with visionary leadership will find themselves positioned well in a healthier ecosystem.

Bad actors will be removed from the pool. Data will tell a more cohesive story about actual humans on an individual level. There will be increased trust between agencies, brands, and marketers of all stripes.

A future without cookies isn't scary. It's good.

Cookies made us lazy

An overlooked impact of cookies is that they made marketers a bit work-shy. The ease of tracking the exposure of a display unit to an online action (like click-through or completion rates) created an addictive loop, and fashioned a bias that these measurable display units were the be-all, end-all for marketers. Everything else appeared to have less value.

2 From our webinar, "Adapt or Die: how the modern agency flourishes," December 18, 2020.

But many things impact the success of a campaign. For instance: if you're looking to drive consumers to an event, who cares if they clicked on an ad? If they saw an ad, didn't click on it, but decided to come to the event anyway (because they saw the ad), the campaign had its desired impact. Ditto for brand-building, where an online action isn't necessarily indicative of success.

What about clients who have brick-and-mortar locations? Here, digital metrics play a vital role, but the most important metric of all is whether or not people actually complete the desired action. The fact is, that desired action may not always take place online.

Lost in a cookie-powered ecosystem was the ability to reach real people. To reach a real human, you need to know who they are— their age, address, and interests. You need to know them across all the devices they use, and you need to know if they show up to your event, engage with your clients' brand, or show up to a brick-and-mortar location. People are more than just a set of digits.

## MAIDs, email, and the holy grail of first-party data

After Google's announcement, marketers scrambled to aggregate first-party data. Publishers like Vox, The Washington Post, and The Guardian took advantage, chasing ways of commoditizing the insights they have about readers.[3]

For many independent agencies and small businesses, the option of approaching The Washington Post or The Guardian and asking for their data (and then paying for it) is simply not an option. These smaller and mid-size players need audiences built from first-party data, and solutions that are accessible and scaled to their specific business needs.

As third-party cookies wane in influence, marketers will also need other data points with which to paint a fuller picture of their prospective customers. These could include publicly available demographic data, information about car loans, Connected TV data, mobile advertising IDs (MAIDs for short), location-based data, and email data.

A constellation of information emerges, and the key to making sense of this constellation is a process called "identity resolution." It's central to becoming cookie-proof, and MAIDs are a major reason why.

3 "As the third-party cookie crumbles, publishers scramble for alternatives," Digiday, October 9, 2019.
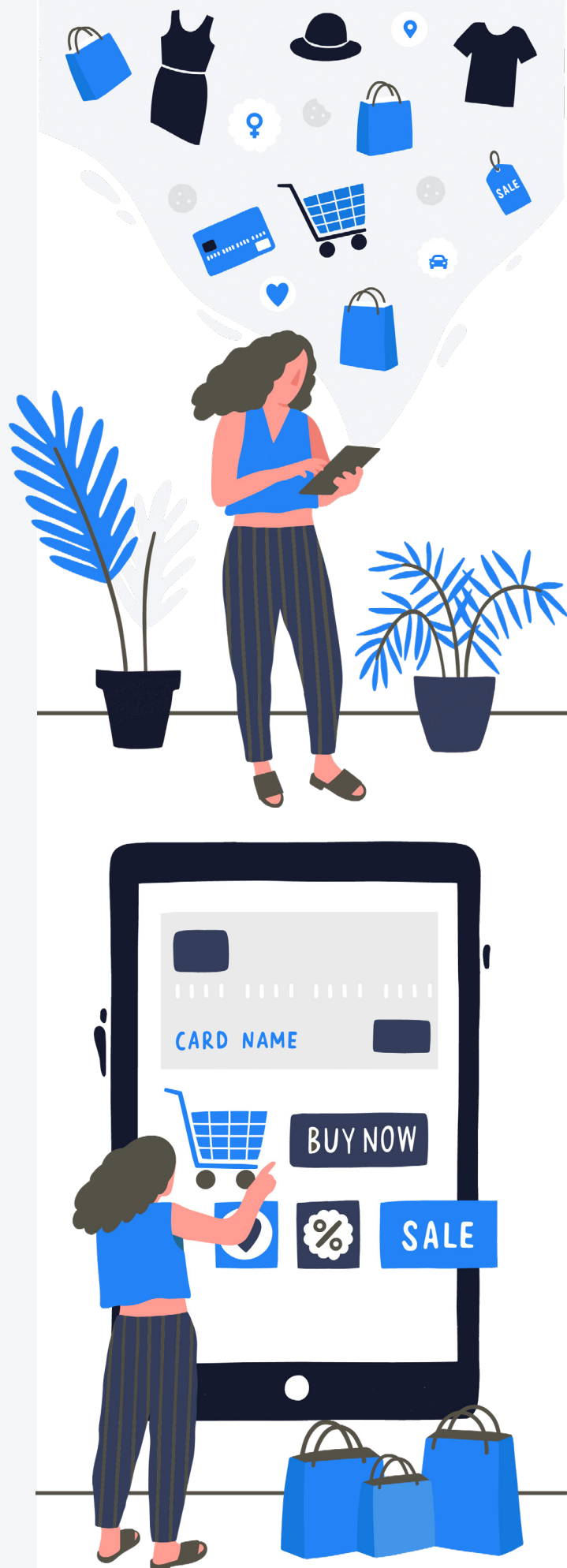
"Fundamentally, cookies are a more inefficient method of resolving identity than the mobile device identifiers such as the Apple identifier," says Projjol Banerjea, founder & CPO at Zeotap.[4]

These identifiers are device-centric — making them more consistent for resolving identities than traditional, cookie-based methods, which rely on inefficient means of cascading matching.

When you match someone's real self to their digital self, you become cookie-proof

Identity resolution matches identifiers across multiple unique data points and devices to build a cohesive profile for each individual. Audience insights must be comprehensive so marketers can discern who each individual is, down to their name, address, and even the cross-device journey that led the consumer to make a purchase, or visit a store, all in a way that's legal and privacy-compliant.
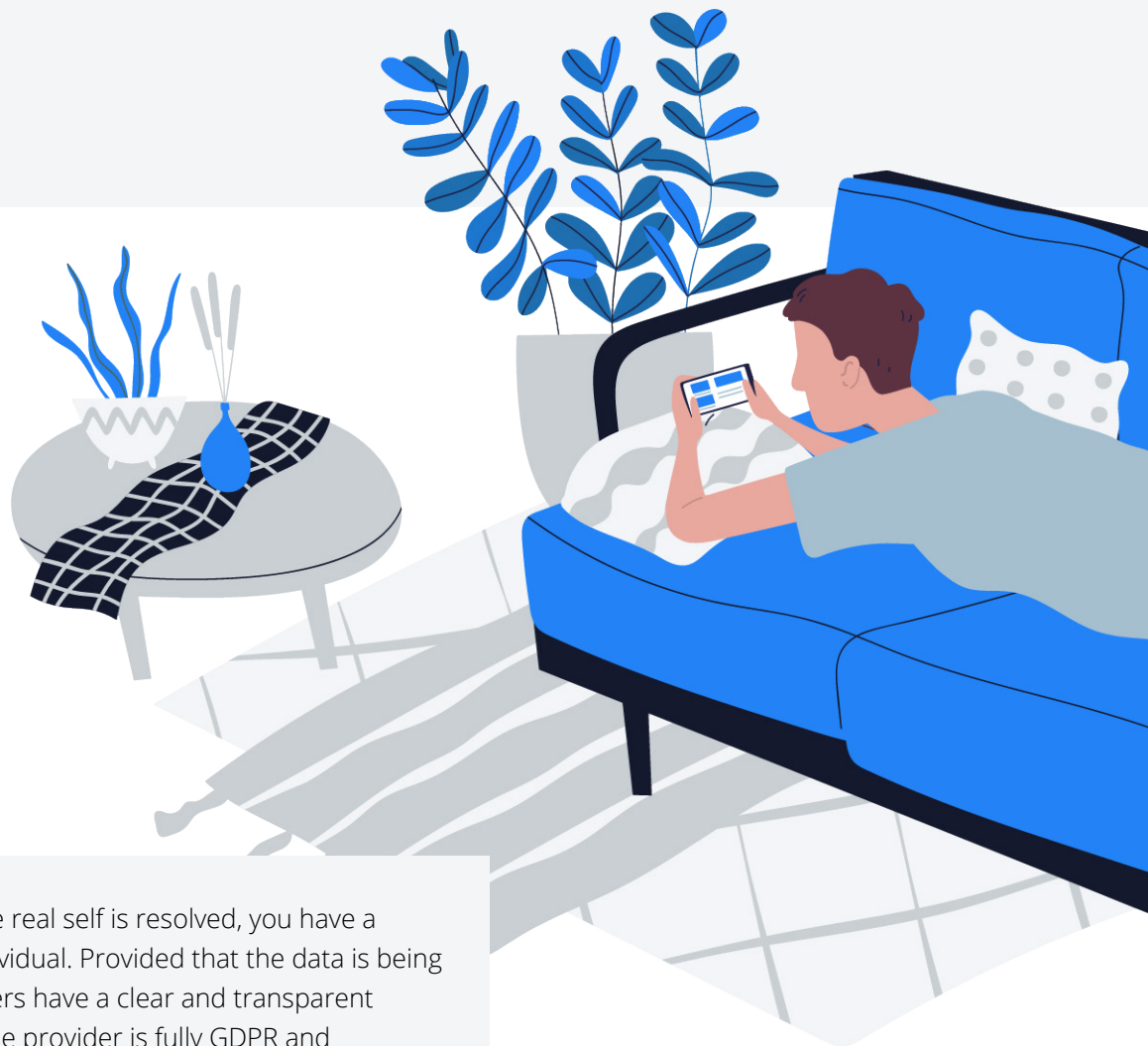
Essentially, identity resolution matches someone's digital self to their real self.

Here's what we mean by that:

DIGITAL SELF

+ Email
+ Mobile IDs
+ Connected TV data
+ Ethically-sourced PII data

REAL SELF

+ Interests
+ Passions
+ Psychographics
+ Postal address, Name, Demographics

Once the digital self and the real self is resolved, you have a **360-degree view** of an individual. Provided that the data is being collected ethically, consumers have a clear and transparent means of opting out, and the provider is fully GDPR and CCPA compliant, agencies can target and measure campaign performance more effectively.

4   From our premium whitepaper, "WTF is Identity Resolution," produced in conjunction with Digiday.

Case Study: a multi-channel approach for auto that can apply to agencies and small businesses alike

70,000 The number of hyper-local individuals targeted in a luxury car campaign delivered by BRIDGE

180 The total number of direct luxury auto sales

$1.3M Total revenue resulting from the campaign

A luxury auto dealership located in Dallas-Fort Worth wanted to drive business from both current and potential new customers.[5]

By utilizing a multi-channel campaign across email, mobile and desktop display, BRIDGE allowed the dealership to reach consumers where they were most likely to respond, targeting an audience determined from a rich database of offline, online and mobile data.

This finely-tuned audience consisted of 70,000 hyper-local individuals, all determined to be in the market for a new car or auto service — and ultimately resulted in 180 direct sales and more than 1,300 service transactions.

Through identity resolution, the dealership could accurately assess their attribution metrics, and ended up driving over $1.3 million in revenue, targeting a specific subset of both existing and potential customers in the places they frequented most.

The same approach can be used for an agency looking to drive results for a client, even if those results exist "offline" in brick-and-mortar transactions or attendance at a live event. When you have a full, cohesive view of an individual that doesn't rely on cookies, those individuals become more than the sum of the websites they visited on desktop.

5 "DFW Luxury Auto Case Study," BRIDGE, January 11, 2019.

In a cookie-less world, the need to measure real business outcomes is ratcheted up

Media buyers are worried about the delivery and measurement of online campaigns in a cookie-less world. For marketers that don't adapt, don't have access to first-party data, and cannot resolve a person's identity, post-view conversions would be treated as "isolated events."[6]

The singular view of the consumer would be lost.

We predict that cookie-proof agencies, brands, and small businesses will adapt to this new reality, maintain a view of an individual's actions across screens and experiences, and flourish. As the "cookie-pocalypse" approaches, we predict that some agencies will recommend first-party only flights, run them alongside more traditional campaigns that are optimized by trading desks, and build attribution models that show the efficacy of each campaign. We predict the first-party campaigns will win, the results will be shared with larger clients, and these larger clients will wean off their reliance on cookies.

We also predict the rise of "people-based metrics" that take real-world touchpoints into account. By combining online, email, mobile, Connected TV, programmatic audio, and brick-and-mortar metrics like foot-traffic analysis and point-of-sale matchback, marketers will be able to measure real business outcomes (like the amount of cars they sell or the number of people they drive to an event).

At Bridge, we already have this capability and have pioneered a people-based measurement approach that we see becoming the norm in a cookie-less world.

6 "In the absence of cookies, advertisers focus on attention-based metrics," Digiday, February 28, 2020.

Becoming cookie-proof takes vision at the top, but it's not as difficult as it may seem

The average tenure of a chief marketer is 43 months, or a little over two-and-a-half years.[7] The prospect of drastically altering key business segments that have been propped up by third-party cookies is a daunting task, and given the two-year window provided by Google, some senior executives might "punt" on cookie-proofing their firms and leave it for the next person to figure out.

Setting those questionable business ethics aside, the average independent agency or small business has no such luxury. Disruptions in workflow and revenue are much harder to overcome, and client relationships are sometimes more fragile. For these firms, a cookie-proof partner is key.

For businesses that lack the knowledge, capital, or technical infrastructure to obtain first-party data on their own, the right partner can provide an entryway into the usage of first-party data, more accurate targeting, and measurable, people-driven results that show real business outcomes. At BRIDGE, we offer this service to agencies, brands, retailers, small businesses, and marketers of all stripes.

There is no major onboarding process, and no structural overhaul of a business segment. Our solutions are turnkey, and our white label services help fulfill promises to your current clients while you go out and get new ones.

7 "Average tenure of CMO slips to 43 months," Wall Street Journal, June 6, 2019.
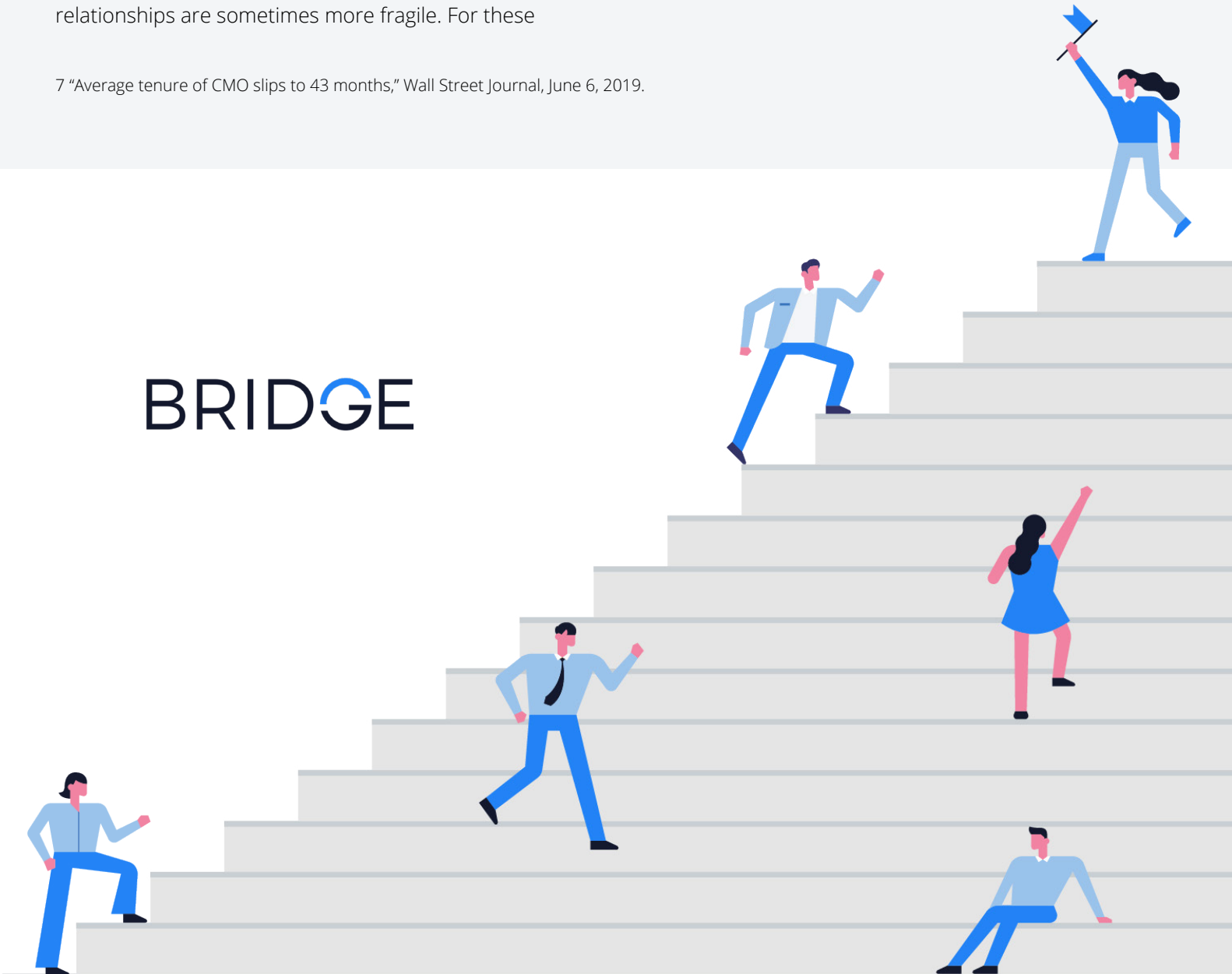
Closing thoughts

As the Digiday Media Summit in Palm Springs wound down, its organizers gathered on the main stage to present their closing thoughts. Among bullet points about the importance of mental health among a firm's employees, retaining talent, and the impact streaming will have on advertising, a major takeaway from those three days in the Coachella Valley was stated very simply.

"The cookie-less world is coming."

Indeed it is. But far from doom and gloom, we foresee a this future ecosystem being a healthy one. The removal of bad actors will engender more trust among consumers, and an array of data points will provide better targeting and more honest measurement. Less emphasis will be placed on hazy digital-only metrics, and real-world business outcomes will flourish.

For firms positioned well in this new world, the opportunity is abundant.

We'll make you cookie-proof. We'll also help you create more revenue **right now.**

Contact Bridge now to become cookie-proof. We can also:

- Grow your business by creating multi-channel programmatic solutions that reach the exact people you intend to.

- Measure attribution in terms of true business outcomes, like the amount of people who attend a live event or buy a product at a brick-and-mortar store.

- We bring new revenue streams— and profitability— to smaller agencies and marketers that don't have the same technical expertise or infrastructure as the bigger players.

- We find your next customer from scratch, or help you build lookalike audiences and find more customers like the ones you already have.

Get in touch today, and see what Bridge can do for you.