

EBOOK SERIES

IDENTITY

PART 3 NOW, NEXT, LATER

A marketer's
countdown to
cookieless

KEY TAKEAWAYS:

In this ebook you'll find out...

- What you can do right now to start strengthening the range of cookieless tools available for your digital campaigns
- What your plans for early 2022 should look like in terms of testing and researching emerging cookieless solutions
- What we still don't know about the tools and tech in the Privacy Sandbox - and when we should know more

INTRODUCTION

One of the tricky things about producing a timeline for the end of cookies is that the timeline does have a tendency to keep changing. Originally, it seemed cookies would finally be banished from Chrome by the start of 2022. But, in a blog post on 24th June, Google announced that they would be pushing back the deprecation of the third-party cookie until late 2023 - almost two years later than originally planned.

But here's the thing. It doesn't really change anything. Just because the timeline has been delayed a bit, the end of cookies is still coming: the direction of digital advertising is moving inexorably towards a privacy-first ecosystem in which the use of personal identifiers will have no place.

All the latest Google announcement does is give us - and them - more time to get it right.

And that's what this ebook series is all about.

[In the first ebook](#), we gave you an overview of how we got here and a framework for thinking about all the emerging identity solutions.

[In the second](#), we showed you what media activation is likely to look like in this new world of identifiers.

Now, in this third instalment, we're going to look at the timeline to the end of cookies to show you what you should be doing right now, what you'll need to be thinking about in the first half of 2022, and looking ahead at some of the 'known unknowns' that we'll find more about as cookies finally start to drift into the sunset.

Sounds good? Let's get into it.

EXPERT INSIGHTS

Identity crisis?

The world of identity is changing fast. So, what should you be doing right now, what are the solutions that will replace cookies, and how you can make them all work together?

Why not book an **MiQ Unlocked session**, so our experts can take you through it?

FIND OUT MORE

01



NOW (SEPT - DEC 2021)

THE COOKIELESS SOLUTIONS YOU CAN ALREADY USE

Cookies and personal identifiers may have been the basis for programmatic advertising at the start. But as the industry has evolved, that has become less and less the case.

Many of the new addressable channels such as connected TV, digital-out-of-home, a range of mobile solutions, and even environments like programmatic audio have all evolved without the need for the personal identifiers that drove traditional desktop targeting.

It's important to say at the outset, all of these channels will still be affected by the deprecation of cookies. But it's vital that you start expanding your range of addressable channels right now, so you have more sources of data, insights, and audiences to include in your mix once cookies are a thing of the past.

HERE ARE A FEW OF THINGS YOU NEED TO BE THINKING ABOUT RIGHT NOW:

1) GET YOUR FIRST-PARTY DATA IN ORDER

The biggest thing that brands need to be doing immediately is getting their first-party data in tip-top condition, and making sure they have the technology and processes in place for it to stay that way.

This is back-to-basics advice, but it doesn't make it any less true. Not only is good first-party data still the basis for all high-performing digital campaigns, but it's also going to be vital for making the most of the new cookieless solutions that are swiftly emerging.

Authenticated data, anonymous data, clean rooms and data bunkers - these are all things that brands are going to have to use to target and measure in the world beyond cookies. They will be most powerful when used in conjunction with a brand's first-party data to build more powerful audiences, get deeper insights, and ultimately drive better results.



01

2) EXPAND YOUR CONNECTED TV STRATEGY

It used to be that the TV was the biggest screen in the house, and best used only for your big brand campaigns. But in the last few years, TV advertising has changed beyond all recognition.

By watching video on their mobiles, their laptops, their tablets and their connected TVs, and by viewing content across a range of platforms, streams and providers, consumers are generating the kinds of data that media buyers of old could only dream of. By connecting all that data together, digging out the insights, and then activating it in unified campaigns, you can drive tangible actions via TV as readily as you can gain mass reach - all without relying on cookies at all.

It's important to note that addressable TV won't be immune from the move to privacy-first. CTVs, for instance, rely on IP addresses as their identifiers. At MiQ, we still currently use cookies to connect that IP-level data to other digital datasets like demography, website visits etc to develop more informed targeting.

And, while there's no date set in stone for when IPs will be deprecated, it's almost certainly a 'when' rather than an 'if', which is why we're already exploring other IDs to make that connection, such as geo-contextual data.

So, that's a work in progress. But, for right now, it's vital marketers recognize the fact that TV is as much of an addressable, programmatic channel as desktop and mobile, and make it a part of their strategies accordingly.



TV IS MORE THAN TV

The multi-screen, multi-platform, multi-device opportunity

TV has changed beyond all recognition. Even live sports - long-considered the last bastion of cable and linear TV - is rapidly going digital. So, what does it mean for marketers?

In the second ebook in our 'TV is more than TV' series, we look at why marketers need to rethink TV as a performance channel - and show you how it's done.



READ THE EBOOK

3) USE MORE CONTEXTUAL SOLUTIONS

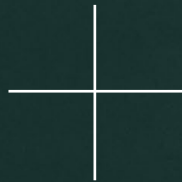
In the early days of digital, there was a misconception that contextual targeting wasn't as smart as its other programmatic cousins. (It doesn't take a genius to work out that placing a car ad on a website devoted to cars is probably a good idea...)

But, not only is online contextual targeting far, far more advanced nowadays, the concept of what 'contextual' means has broadened. After all, the context of web browsing isn't just what's happening on a web page: it's everything going on in the world at that moment, from the kind of device someone's browsing on, to the place they're browsing, the time of day, the weather, what's going on in the news, what's trending on social and so on and so on.

The fact is that not everything is virtual (at least not yet) so your digital marketing needs to work in the real world too. Screens are everywhere and consumers expect increasing personalization, and smart contextual solutions that combine online behaviors with macro trends are a hugely important way to segment and target audiences in a world where data privacy is becoming stricter.

It looks something like this: you start off with first-party data to get a strong idea of what your best customers look like. Then, you connect that data to geolocation data from partners like Foursquare and Unacast to get a view of where those customers are. By overlaying online contextual behavior data of those customers, we can get a sense of the best performing sites and times to reach those customers, and by using macro data on things like the weather, local sports scores, the stock market etc you can personalize messaging without actually using anything too personal.

In fact, speaking just for us for a second, we've found that 72% of conversions for our top 10 direct response clients come from using our advanced contextual solutions. Getting acquainted with contextual best practices now is going to put any brand in good place for the cookieless future.



NEXT (JAN - JULY 2022)

THE COOKIELESS SOLUTIONS YOU NEED TO BE TESTING

While there are lots of things you can already do to build powerful digital campaigns without cookies, there's no doubt that you also need to focus on the things that will replace cookies.

And, even with Google's announcement, there's no point delaying this. Not just because the end of cookies is still inevitable, but actually because (as we'll see) cookieless solutions are actually better than cookies. Which makes sense when you think about it. Cookies, especially when used in silo, were never actually that good at indicating intent - and they were extremely short-lived bits of data, useful generally only for a matter of days, or even hours.

That's important to bear in mind through all of this. Getting to grips with new cookieless solutions might be tricky in the short-term. But the new ways of doing things are going to be better for advertisers, better for consumer privacy, and better for the internet as a whole.

In terms of specifics, we covered the three major areas where solutions are going to replace cookies in the second ebook in this series.

To recap, they are:

- ▶ **Authenticated data solutions**
- ▶ **Anonymous data solutions**
- ▶ **Using clean rooms**

As you start to think about 2022 and beyond, you need to be building plans to test and learn in each of these areas, identifying the partners you'll need to work with to meet your exact business goals.



02

TESTING COOKIELESS SOLUTIONS

We're already testing all three of these solutions as part of cookieless strategies for clients. And the early results all show an enormous amount of promise, as they enhance or outperform strategies that are mainly built on cookies.

By using cookieless strategies, we've discovered we can deliver...

1

Overall in over ten cookieless tests, **we reached an average of 50-70% more unique users than cookie-based strategies.** We believe this is because it expands our browsing range (we can target users in environments like Firefox and Safari, as well as Chrome) and because authenticated IDs are more persistent, eroding far less quickly than cookies.

2

When we're looking at efficiency, it's important to compare apples to apples. That's exactly what we've done for a clothing and apparel client where we've compared strategies using cookie-based line items to strategies that sync to authenticated IDs. Across four tests, we found the authenticated IDs reached an average of **69% more unique users, with a 10% lower CPM** compared to the cookie-based approach.

3

As we showed above, **72% of conversions for our top 10 performance clients come from anonymous advanced contextual strategies that don't rely on cookies.** And that's across a whole range of metrics from online conversions, to in-store footfall, to reducing churn, to driving downloads and so on.

4

It may sound obvious that these cookieless strategies should be better for consumer privacy. But it's worth reiterating: **all these improved results are now possible without needing any personal data.** For instance, we helped a sports brand build a multi-touch attribution model in Ads Data Hub by connecting their Google search, social, and display data to see where they could optimize their investments across the three channels - all without ever exposing personal data about users.

THE EARLY BIRD CATCHES THE WORM...

While it's important to reiterate that these results are all relatively in the early days, you should be building plans to start testing in the medium term rather than waiting for all the wrinkles to be ironed out and best practices to be established.

Firstly, there will inevitably be something of an early mover advantage. Things like organizing your first-party data so it can be used in clean rooms, or changing your data ingestion processes to adapt to anonymous or authenticated data sources will take some time. It's never going to be a case of flipping a switch from cookies to other data sources. So, the brands that have done all that work in their testing

phase will be better placed for when cookies are finally done with than those who play wait and see.

Second, it's more efficient to test non-cookieless solutions while fewer people are using them, rather than further down the line when they become more standard. It's a simple case of supply and demand: right now, fewer brands are using inventory from authenticated and anonymous sources, so the inventory is cheaper. But that price will go up, so it's more cost-effective to test sooner rather than later.



LATER (AUGUST 2022 ONWARDS...)

WHAT WE'LL FIND OUT AS WE GET CLOSER TO THE END OF COOKIES

In the first two sections, we dealt with what we know for certain and what we're pretty confident about. In this final section, we move into the most speculative part of what's coming up in the next eighteen months.

Largely, this revolves around Google's Privacy Sandbox initiative, their suite of new technologies that will keep the digital ecosystem going once cookies are gone. And, while we now have certainty on what those technologies will be, thus far the testing has been slowed down by low rates of adoption among the ecosystem.

The [new timeline](#) published by Google suggests we'll be in a position to know much more about how these technologies will work and the best practices for advertisers in the second half of 2022.

Here's what we know so far:

1 FLOC (FEDERATED LEARNING OF COHORTS)

How does FLoC work?

As someone moves around the web, the Chrome browser uses the FLoC algorithm to place that person into an 'interest cohort', along with thousands of other users with a similar recent browsing history. The Chrome browser refreshes each cohort periodically on the user's device so an advertiser can target them because

they belong to the cohort, without sharing the user's browsing data with anyone else.

What do we know about it so far?

Not all that much. Round one of testing has been limited by the fact that, so far, FLoC is enabled in only 0.5% of Chrome browsers.

At MiQ, we built a custom FLoC pixel to extract FLoC IDs of visitors to our own website - but all the IDs we extracted turned out to belong to our own identity engineers, with not a single one coming from a user in the 'wild'. This aligns pretty closely to similar testing from other partners in the ecosystem like Cafe Media, Criteo and so on.

When will we know more?

Round two of FLoC testing is set to begin in Q4 of 2021 and last until Q3 of 2022, with the plan being that it'll be ready for full adoption by the end of 2022.

We expect to see more announcements on FLoC from Google throughout the first half of the year - especially the thorny issue of whether FLoC ID collection will be auto opt-in or whether it'll be opt-out by default. So marketers need to pay attention to the testing results and further clarification on how FLoC will work in multiple regions.



03



2

FLEDGE

How does FLEDGE work?

FLEDGE stands for First Locally-Executed Decision over Groups Experiment. Basically, it means that ad auction decisions can take place within the Chrome browser itself, rather than at ad server level.

This is based on an earlier concept called TURTLEDOVE which aims to protect user privacy by reducing the amount of data flowing around the ad ecosystem. The logic is that if ad bids and targeting decisions both happen at the browser and device level, there will be less user data available in external locations for audience profiling.

What do we know about it so far?

Even less than FLoC, because it has not yet been opened to the wider industry for testing.

When will we know more?

Like FLoC, testing is set to begin in Q4 of 2021 and last until Q3 of 2022, with further announcements coming at the beginning of next year.

Google's Sandbox proposals for in-browser measurement could (at least theoretically) deliver more scaled measurement than third-party cookies, but with less granularity in data availability. Apple's SKAdNetwork, with its limited reporting outputs, is a potential glimpse into the future of this type of attribution.

There's also going to be scope for you to take matters into your own hands, connecting your own first-party data with conversion data, browser data, etc in clean rooms to conduct your own attribution. This will yield powerful results - but it's going to need significant 'heavy lifting' from an analytics perspective and not every brand will be equipped to do it.

A 'goldilocks' version of this might be creating partial or fragmented self-attribution to create a deterministic panel for measurement. Panels are definitely an emerging theme emerging in other parts of measurement, and it's possible that we'll see a return to measurement strategies like running experiments based on geo control groups.

Whatever the exact shape of the future, it's near guaranteed that first-party data is going to be a big piece of the puzzle, reaffirming our previous advice on getting your own data in order to make sure you're ready for whatever solutions emerge.

When will we know more?

In the Privacy Sandbox timeline, testing of cookieless measurement solutions is set to begin in Jan 2022 with results expected as we move towards the end of H1.

3

COOKIELESS MEASUREMENT

How will cookieless measurement work?

As with all aspects of the cookieless future, there's unlikely to be a one-size-fits all answer, and marketers are going to have to stay on top of various options to figure out what's best for their needs.

04

TIME FLIES WHEN YOU'RE HAVING... FUN?

We wish we could write an ebook that gives everyone a super-precise month by month playbook of how to get ready for the phase-out of cookies. Right now, this is the best we can do.

As our industry changes from the old system to the new, there is going to be a fair amount of uncertainty and upheaval.

And our advice basically boils down to two things:

STAY AGILE

Things are moving quickly so don't stake your entire strategy on one possible version of the future that could disappear in the blink of an eye.

START NOW

Even with the additional time, the next few months are going to fly by. It's critical you use this period for testing and learning about the efficacy of different ways of identifying consumers for targeting, working with different partners, and connecting them all together to drive better results.

But the most important thing is to reiterate what we've said all along: all of these changes are a good thing.

This period is a huge opportunity for us all to rebuild trust in our industry, both with consumers and among ourselves. And the ability to drive new value for marketers by connecting these new technologies and systems available is a hugely exciting challenge.

If you'd like a partner to help you with that challenge, we'd be more than happy to help.

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MORE FROM OUR CONTENT

THE FUTURE, FASTER PODCAST

The future is coming faster than ever...

Thanks so much for making it to the end of the ebook. Who says long-form content is dead...?

If you enjoyed reading this, maybe you'd like to check out the Future, Faster podcast, a laid back look at the trends, topics and technologies shaping the future of advertising, with some of the smartest minds in our industry.

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