**What is happening?**

Google has decided that it will block all third party cookies on its Chrome browser in 2023. We don’t have exact dates, but considering around 60%-70% of traffic on any digital platform comes through Chrome, and the dependence on Google and its ad services in the space of digital marketing, makes it imperative for all advertisers to take it very seriously.

**What does it mean? Why should we lose sleep over it?**

Cookies are nothing but small scripts which retain a certain value for a specific period of time. In the world of digital marketing it stores identifiers like client ID, visitor ID, which can then be persisted to record and analyze user behavior on the platform. These IDs are also used to marketing by the concept of cookie synching, where you can send your audience lists to the ad networks, to be targeted on various publishers’ website. All this works on the very foundation of third party cookies. This change implies that there will be an impact on both, marketing, as well as measuring the impact of the marketing on digital platforms, leaving advertisers in the flux.

**What sort of impact can we expect on us?**

Impact of such a change will be felt on all stakeholders involved in the process of digital marketing:

1. *Advertisers*: They will lose the power to merge their data with ad networks and Publishers’ data for remarketing and targeting purposes, since advertiser’s data will now be third party data for publishers and ad networks. Advertisers will also have to build on differential privacy, and 1st party data sets, through consent of users, to better create their marketing strategies, since audience attribute enrichment process through 3rd party datasets is bound to take a hit.
2. *Publishers*: They have to not just use their own 1st party data for better targeting and better results for the advertisers, but also will have to come up with AI/ML techniques to categorize users in multiple intent based cohorts to fill the gap from 3rd party cookie data
3. *Marketing Agencies*: Not only marketing agencies will be impacted, but now are duty bound to enhance their roles from just execution/operations to partnership in these uncertain times. These agencies will have to ensure that websites are tagged properly with tags like Universal Event Tracking (UET) of MS, or Gtag of Google, to ensure that they are getting their own 1st party information.

At the same time build algorithms to cluster user groups in various intent based cohorts to further enhance the value of data collected within these tags and services. At the same time the need of identity resolution graphs with the help of deterministic and probabilistic matching, will take a centerstage especially while measuring the impact of marketing efforts in absence of third party cookies.

1. *Ad Networks*: They will have to ensure that they are also able to collect information of users coming on different platforms, categories them on their behavior and intent in the best manner possible, because this will become the very backbone data for targeting users in absence of 3rd party cookies.
2. *Measurement*: Whereas everyone is talking about impact on advertisers and publishers, very few are talking about its impact on measurement of marketing strategies in traditional reporting environment. Considering we are most likely to lose the identity of users, hence attribution will severely be impacted, especially multi touch attribution algorithms, whether out of box or custom algorithms. This means an extra layer of identity resolution has to be first applied to accurately calculate the attribution of conversions, with the help of vendors like Tradedesk, Liveramp etc. or by our own custom identity graphs, create don the back of 1st party data in Customer Data Platforms (CDPs).

All this means that measurement of marketing efforts will now happen on modeled datasets, rather than lift and shirt of ad data from any publisher/platform into Excel/BI reports.

1. *Tools and technologies*: The biggest impact will be felt on DMPs (Data Management Platforms), used for curating audiences which could be targeted on various destination. Since this system worked on the foundation of cookie synching, with third party cookies getting deprecated, will severely hamper their capabilities, unless they come up with better and more evolved way of identity resolution.

CDPs can become extremely integral part of the digital marketing ecosystem, but only if they are equipped with identity resolution algorithms. Customer identification and householding with the help of deterministic and probabilistic algorithms will become a key part in devising the marketing strategies. In addition to this there is a need to cluster users on the basis of their intent for contextual targeting. This is again something that can be built over CDPs, to further enhance their value in the ecosystem.

Ad Networks like Microsoft are going to use hashed email address, addressing privacy and still providing better targeting capabilities, for identity resolution.

Tradedesk uses a Universal ID (UID) to identify users and retains the capability to target them in post 3rd party cookie world.

Liveramp has the capability to match PIIs into RampIDs for targeting and can also provide measurement information mapped with AbiliTec ID

**If third party cookies are deprecated, what could be new data sources?**

Marketing most likely will now depend more upon contextual messaging, than any new third party data source. This means that reliance on 1st party data sources is now much more than before. Earlier data used to be a by product of a transaction, like entering email address/creating account while buying. Now data collection has to become a transaction/ one of the primary goals itself. Incentivizing users to share their data, use their loyalty cards has to be become a part of the culture for advertisers. Showcasing personalized offers, rather than same generic offers running on banners, thereby enhancing user experience, and giving a reason to users for sharing their information has to become the key.

For the same reason, second best thing can be someone else’s first party data, that is second party data. In this data coming from different retailers, in a clean room kind of a set up can be another vital data source to further enhance own data sets of advertisers.

In addition of data sources, application of AI/M: algorithms to create audience cohorts, not just on acquisition dates, but also on intent, can further improve both marketing strategies and measurement of these strategies.

**How Microsoft is helping address this challenge?**

Microsoft has recommended use of UET, Universal Event Tracking, to circumvent the possible challenges. This is a simple tag that can be created within Bing Ads platform, and can be added across your website. This tag will help MS collect information about users on its own, thereby creating first party data for better targeting. You can also create 5 kinds of goals on Bing Ads for conversion tracking through UET, like:

1. Destination goals
2. Duration goals
3. Pageviews per visit goals
4. Event goals
5. Mobile App Installation goals

In addition to UET, Microsoft also uses hashed email address to bolster its targeting algorithms.

**How Google is going to address challenge created by itself?**

Google is just going by privacy concerns of users and regulations by institutions across the globe. For the same reason it has been gearing towards the solution as well for quite some time now. Google’s own Gtag when implemented on the website collected information about users, and thereby enriching its own first party data.

Google also is working on 2 algorithms, FLoC (Federated Learning of Cohorts )and Fledge. FLoC is geared more towards interest and behavior of users whereas Fledge deals with building audiences for advertisers.

Google has categorically confirmed that they will NOT provide any identity resolution like PII graphs based on people’s email addresses, because they don’t think it meets consumer’s expectations from the evolving systems.

**What should I do right now?**

For one, the first thing we recommend is what you should NOT do, that is, don’t panic. Cookies were getting deprecated all this while, Safari and Mozilla Firefox have been doing it for a while now, so we do have systems in place. Of Course, Chrome, considering the size and volumes of traffic it generates, will have a much bigger impact, but we still do have systems in place. There will be initial issues, but we all are in this together, and the existing systems will also evolve and develop to counter the challenge of addressability.

Harvesting 1st party data sets has to be the step 1 of gearing yourself to address the upcoming issues. Partnering with right agencies and vendors can be close second. Agencies and teams having well entrenched processes and tools to create identity graphs, intent based cohorts, with deeper understanding of the evolving space will help a lot to not just address the upcoming challenges, but also outperform your previous set benchmarks.

Business with longer purchase cycles are expected to feel the impact more than the ones with shorter purchase cycles, just because of the reason of persistence of information, but again, as time goes by, as systems evolve, this should get better.

Current anxiety is due to the nature of change, than the change itself, like the number of unknowns, the number of players, and a general ambiguity of how they might come together, are the reasons. For us at Publicis Sapient, cookiepocalypse is a definitely an exaggeration of a challenge that is sure big but not unsurmountable.