The End of Third-Party Cookies

And Why Everything Will Be OK

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The announcement by Google that it will diminish support for third-party cookies within Chrome—the most dominant internet browser—has created much concern and confusion. As deeply embedded in the programmatic ecosystem as third-party cookies are, this announcement is leaving advertisers wondering what course to take.

What are Third-Party Cookies?

Third-party cookies, a piece of code created by domains other than the one the user is visiting at the time, are the most common method of identifying users online to provide a personalized browsing experience. Cookies remember things like a user's browser configuration, log-in credentials, products added to shopping carts, and other details. They persist for a period of time after the user leaves a site. Because cookie files are widely used to collect such information, they are also used to inform marketing processes, including advertising based on web viewing behaviors and retargeting.

Though it may be slightly diminished as a result of the end of third-party cookies, ad inventory that is addressable—which gives advertisers the ability to target media and refine creative more accurately—will continue to be available and will remain the most powerful ad targeting tool for online marketers.

As third-party cookies fade, it will be more important than ever that addressable media buys be driven by actual consumer spending data—which has always been the most accurate predictor of consumers' future spending behavior. And while there is no magic eight ball to predict all the ramifications of cookies making their exit, the path forward for marketers is clear—to use **first-party, ethically sourced data to focus their advertising on the people most uniquely aligned with their brands and ready to buy and engage with them now.**

A Quick History

For many years, digital marketers have relied on third-party cookies to securely and anonymously recognize consumers they want to reach. The billions of dollars in advertising that have been driven by third-party cookies have made possible the free internet that we all enjoy, enabling thousands of publishers to make content available to consumers at no charge. And third party cookies facilitate personalized advertising that makes the internet more individualized and relevant for each user. So is the death of the third-party cookie cause for alarm?

Despite the ubiquity of third-party cookies, the past decade has already seen a number of technology providers announce plans to deprecate third-party cookie support within their systems:

» **2011:** Apple gives users of its Safari browser the ability to block cookies from third parties and advertisers, gradually making this the default setting.

» **2013:** Firefox announces that it will be configuring all future versions of its browser to block third-party cookies by default.

» **2015:** Microsoft's new Edge browser rejects third-party cookies by default.

» **2020:** Google announces that it will gradually diminish third-party cookie support in its Chrome web browser by 2022. Later, this was updated to 2023.

So, the course is set. Third-party cookies are going away. But by harnessing the power of first-party data and working with reputable data and audience partners, marketers can overcome the hurdles of a cookie-less landscape and successfully navigate the transition to improve digital campaign performance.

What Marketers Can Do Now

While the cookie-less landscape is still taking shape, there are things that marketers can do now to ensure a positive transition.

1. **Leverage First-Party Data**

   First-party data is an extremely powerful tool in understanding customers and how to best serve them. Digital marketers and their audience partners should make use of first-party transaction data, sign-up activity, and other indicators within their own files to accurately measure and optimize campaigns.

   First-party data is the most reliable means by which to accurately predict a consumer's future engagement and spending behavior. Remaining cookies and other identifiers will likely continue to provide very near-term signals; but even if other identifiers lack the longevity needed for reliable attribution, first-party data is the solid foundation that can make up the difference by improving media targeting accuracy.

2. **Measure Performance Carefully**

   As third-party cookies decline and addressable inventory dips, it may become more expensive to reach the right audience of consumers known to be likely to respond to a brand's offers. But the same properties that make an ad impression addressable also make it more likely to be recognizable later for measurement and attribution. It will be crucial for marketers to carefully measure the performance of each campaign and only commit budget to the audiences that are demonstrably productive.

3. **Work with Excellent Partners**

   The future of privacy-compliant digital media targeting will depend on an ecosystem of trusted, ethical partners working together to maximize the value of online advertising for marketers and the resulting revenue to partners. For example, LiveRamp's Authenticated Traffic Solution allows publishers to leverage the strong personal relationships they have with their site visitors to augment and enhance their own inventory. This mechanism can provide more effective identity resolution data than most cookies. These innovations are also beginning to address the requirements emerging as part of the California Consumer Privacy Act (CCPA) and other new regulations mandating that consumers gain visibility into how marketers benefit from their data.

4. **Support Ethical Marketers**

   It's crucial that marketers work with ethical companies to determine the right ways to preserve digital identity resolution capabilities without compromising consumer privacy.

   For example, Wiland is an active participant in the Interactive Advertising Bureau (IAB) Tech Lab's Project Rearc, which is a global call-to-action for stakeholders across the digital supply chain to rethink and re-architect digital marketing to support marketers while honoring consumer privacy and personalization.

   Wiland also participates in the Partnership for Responsible Addressable Media, a "collaborative effort of the leading advertising trade associations and companies representing every sector of the global advertising industry to advance and protect critical functionalities like customization and analytics for digital media and advertising, while safeguarding privacy and improving consumer experience."

4. Support Ethical Marketers (continued)

Wiland is a pioneer in privacy-compliant, data-driven marketing, and it's through collaborations like these that new solutions that continue to better protect all stakeholders—consumers included—will emerge.

Conclusion

The impending cookie-less digital landscape doesn't have to be a cause for alarm. Third-party cookies have never been the only way to recognize effective audiences in digital media. There are other paths for marketers to achieve digital advertising success based on vast, high-quality, and ethically sourced data. As the leader in creating predictively modeled audiences for digital campaigns, Wiland is here to help. Please reach out to us at info@wiland.com or visit our website at wiland.com.

About Wiland

Wiland is the best predictor of consumer response. By applying advanced predictive analytics to the largest set of individual-level spending and interest-intensity signals, Wiland enables brands and their agencies to find people ready to spend with them immediately and to make repeat purchases at a high rate. In addition to its reputation as a data-driven marketing innovator, Wiland is also a company recognized for its culture of honesty, integrity, and transparency.