

GOOGLE THIRD PARTY COOKIE UPDATES

Privacy across the web is changing.

Google's latest announcement confirms that it won't provide an alternative solution to the third-party cookie when they phase it out in 2023. **The way digital ad targeting works is going to fundamentally change** - but what is happening? How will this effect brands? And what options do marketers have to continue effective targeted advertising strategies?

WHAT ARE COOKIES?

Third-party cookies are a form of tracking code that enable third parties to track individuals across websites, building a detailed profile of the user based on their browsing behaviour.

This enables advertisers to send targeted messages to specific users. When you visit a website and you keep seeing adverts for that brand on other websites - that's the third party cookie at work.

Unlike first party cookies, the user is often unaware of who is tracking them, where this data is being stored or how it is being used.

First and third party cookies, what's the difference?

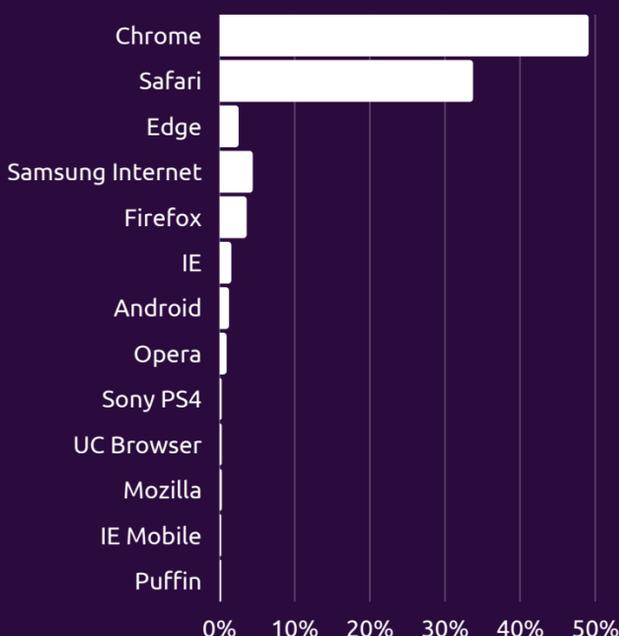


First party cookies are created by the domain a user is visiting. They enable the website to remember key information such as items added to a shopping basket or usernames. They also provide the website owner critical analytics to improve website performance



Third party cookies are created by domains other than the one the user is visiting and are primarily used to track a user for profiling and online-advertising.

WHAT IS CHANGING?



This isn't the first change to third-party cookies, Safari and Firefox browsers have already blocked them by default. However, the scale and reach of Google makes it a significant change.

When phased out, no third party can (in theory) track an individual across websites, build profiles based on that persons browsing behaviour and, based on this data, serve targeted adverts.

This is generally seen as being positive for user privacy where permissions can be vague, and the end use or location of your data can be unknown.

HOW WILL THIS IMPACT MY BRAND?

Google might site these changes as being 'privacy first' however they are going to further strengthen their position within the advertising ecosystem. If you invest in digital advertising, these are the impacts you will see:



If you rely on third party cookie profiling, targeting or attribution, then **you are going to need to pivot and look to alternatives** as this capability is lost



Google and Facebook are likely to become **more important parts of your advertising strategy** as their large first party databases offer the ability to accurately target specific consumer segments



This space is constantly evolving, you should ensure your digital strategies are not wedded to any one approach. Instead **utilise a breadth of strategies** as well as exploring new technologies

WHAT STEPS SHOULD BRANDS TAKE?

There have always been changes to different advertising models and techniques and there always will be. Brands should see this as an opportunity to continue to innovate and find opportunities to differentiate and continue effective advertising strategies.

Privacy by design

Building trust and transparency with consumers on how their data is used is non-negotiable, brands should identify ways to establish privacy as a point of differentiation, **clearly showing the value of their data in the experiences they receive.**

Prioritise a first party data strategy

Building a direct relationship with a customer is your best route to preserving 1-2-1 communications. For brands that don't have an end interaction, like consumer goods companies, spend time thinking about what bundles of value you can create in exchange for data. It could be exclusive content, access to discounts or competitions. The key is starting now.

Move to segment and contextual targeting

Second party data (through platforms like Google and Facebook) provide **rich insights to target specific segments** based on interest and behaviour, whilst contextual targeting **ensures relevant reach** across audience groups.

Want to learn more or discuss your data driven marketing strategy?

Contact us today to discuss your business challenges or review the latest research from Capgemini Invent.