

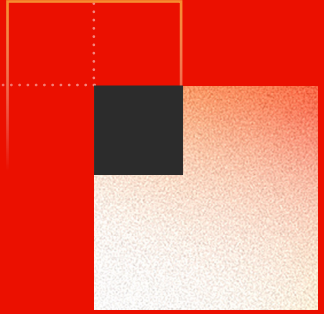


# Thinking beyond the third-party cookie.

Your complete guide to a world without third-party cookies.

The image features a woman with curly hair wearing a yellow sweater and denim overalls, smiling as she looks at her red smartphone. The background is a vibrant red. Overlaid on the image are several digital interface elements:

- Customer profile:** A white card on the right side showing a profile picture of a woman, the name "Grace Harper", "4 connections", and a "Profile ID" (EeNC ancBotHJukYbRsAnX..).
- Visit New Zealand:** A banner on the left with a scenic image of a coastline and a yellow "BOOK NOW" button.
- WKND:** A white rectangular button with the text "WKND" in the center.
- Envelope icon:** A white envelope icon on a pink-to-yellow gradient background in the bottom left.
- Number 1:** A red circle with the number "1" inside, positioned above the envelope icon.
- Star rating:** A blue bar with a white star icon and seven asterisks in the bottom right.
- Plane icon:** A white airplane icon on a blue background in the bottom right.
- Red circle:** A red circle with a white outline in the bottom right.



“ All businesses must redefine how we engage with customers and deliver digital experiences at unprecedented scale.

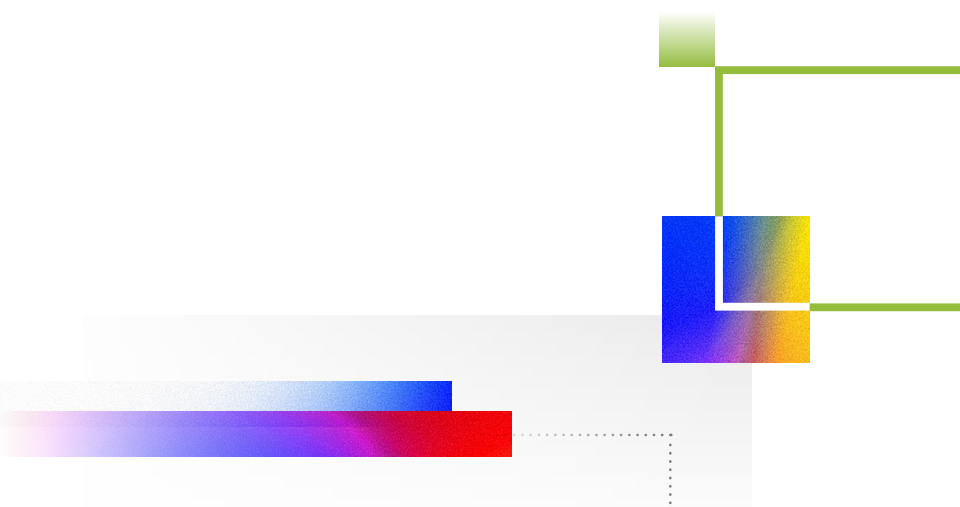
**Shantanu Narayen**

Chairman and CEO, Adobe

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# Executive summary

By late 2024, all major web browsers are expected to have phased out third-party tracking cookies to respect the growing call for customer data privacy. For most marketers, this paradigm shift presents enormous challenges as they reimagine their strategies for customer acquisition.

Third-party cookies are inherently problematic, from limited targeting capabilities to inaccurate attribution. Their loss presents an opportunity to provide a smaller group of high-value customers with higher caliber and increasingly personalized experiences—in other words, to replace indiscriminate targeting with real value at every step of the customer journey. Through first- and second-party data pools, strategic data partnerships, contextual advertising, and real-time technology, you can develop stronger relationships with both new and existing customers to drive business growth.

Not only can you survive without the third-party cookie—you can thrive in a completely new digital marketing world where customer relationships are built on a foundation of real-time engagement and trust.

# Sensing the shift.

Once upon a time, more than two decades ago, there was a world without third-party tracking cookies—those handy pieces of code added to web browsers that retain user data to offer personalized web experiences. Browsing the internet was the same for everyone, whether you were a college student in Abu Dhabi or a retiree in Zürich. And data privacy concerns were almost nonexistent—for the average web user at least.

Fast-forward to today, and the digital world looks very different. Consumers might look at a product online and later notice ads for it on another website or channel. While third-party cookies are incredibly useful for measuring the impact of these “impressions,” for many consumers it can feel intrusive when behaviors like their location, browsing history, and preferences are tracked across the internet.

Instead of relying on third-party cookies, brands have more to gain from building trust with consumers. When economic conditions are less stable, consumers [rank trust as their top consideration](#) when choosing where to spend their money, followed by price, selection, and relevance, according to the *Adobe 2023 Cookieless Study* conducted by Advanis. This is especially true for younger consumers—trust outranks price by 13% for Gen Z and 15% for millennials.

The public's sensitivity to data privacy has triggered big changes from Silicon Valley. Firefox began blocking third-party cookies in 2019 and has since cracked down on trackers that use caches to create "supercookies." Apple followed suit in 2020 by disabling third-party cookies in Safari and announcing discontinued support for its IDFA (Identifier for Advertisers) in iOS 14. In 2021, Apple went a step further with iOS 14.5 so that devices no longer send out the IDFA unless users opt into being tracked. And finally, Google announced in 2022 that it intends to begin phasing out third-party cookies in Chrome in the second half of 2024, and that that it will not create alternative identifiers to track individuals as they browse across the web, nor will it use them in its products.

Despite these steps taken by internet browsing companies to eliminate third-party cookies, there is still a lot of confusion among brands. In the *Adobe 2023 Cookieless Study*, we also found that 59% of global leaders are either accelerating their readiness for a cookieless future or keeping it a high priority. [But the remaining 41% aren't taking any action. Some say they're not changing out of a perceived lack of urgency, while others plan to change but are delaying preparations for a cookieless future.](#)

Cookies are going extinct, and marketers are left to deal with the fallout. Transforming customer acquisition and retention strategies on a dime is a daunting task. But we believe this cloud has a huge silver lining—because cookies were never a perfect solution to start with. In this guide, we'll take a comprehensive look at why third-party cookies don't deliver the customer relationships you want, how their disappearance will affect marketing, and what practical steps you can take to transition successfully to a personalized, effective, cookieless future.



There won't be a [fix-all] that will solve for the evolution past third-party cookies. It's going to be a collaborative effort with multiple pillars of the advertising community coming together.

**Mike Ragusa**

Principal Expert Solutions Consultant, Adobe





## PART ONE

# Getting real about third-party cookies.

When you buy display media with an ad network, third-party cookies can help you track consumers' browsing behavior, collect demographic and geographic information about them, and harness this third-party data to gain valuable insights into their interests—all of which can be used to create targeted digital ads. While it's true that you're losing a monumental capability with the demise of the cookie, this overshadows a more important point.

Explore the types of cookies—how they're created, how they're used, and how they differ:

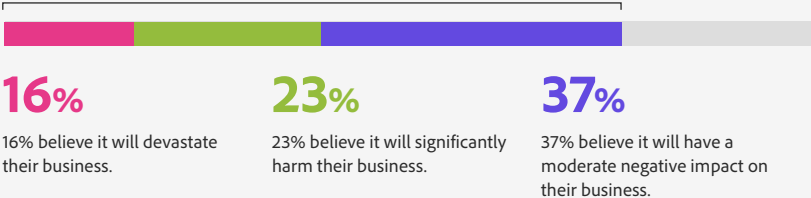
First-party	Second-party	Third-party
Occur only within a company's own domain.	Can be used within and outside of a company's own domain.	Acquired through websites outside of a company's own domain.
Have functional or analytical purposes, such as session or persistent cookies.	Come directly from a data sharing partnership agreement (second-party data is another organization's first-party data).	Primary uses include advertising, including remarketing ads, and off-site behavioral tracking.
Store on-site behavioral data such as language preferences, shopping cart items, and usernames include private data shared directly by the customer, such as email addresses or phone numbers.	Can be anonymous, pseudonymous, or personal, depending on the partnership agreement and are based on consumers opting in.	Don't capture personally identifiable information (PII).

Third-party data makes up a huge portion of data spending for many businesses. In the *Adobe 2023 Cookieless Study*, we found that 75% of marketing and customer experience leaders still rely heavily on third-party cookies, and 45% spend at least half of their marketing budgets on cookie-based activities. When asked why they're so dependent on third-party cookies, 51% refer to cookies as "a necessary evil," while the other 49% say they can't get enough resources to evolve their strategy.

Regardless of the reason, this overreliance on third-party cookies means that brands are leaving significant money on the table. Of the brands that are cookie-dependent, 49% say half or more of their potential market lies beyond their reach in environments where third-party cookies don't work, such as Apple iOS 14 and Meta.

Consider marketing as an investment—your company's money in exchange for customers' attention. As third-party cookies go extinct, some diversification is badly needed. Over-reliance on one marketing tactic can be just as dangerous as investing in only one company's stock—and third-party cookies are like a stock whose fundamentals aren't sound. For cookie-dependent brands, this is not a secret. We found that 76% of these brands say the end of third-party cookies will hurt their business, yet they continue to rely on cookie-based activities.

**76%** of cookie-dependent brands say the end of third-party cookies will hurt their business.



## The personalization and privacy paradox.

The biggest downside to third-party cookies is that consumers don't trust them—and that erodes their trust in your brand. Cookies are hard to avoid, and permission pop-ups don't relieve consumer uneasiness because they aren't truly transparent. Most people would need a lawyer to interpret the fine print—which means, according to Vox, that customers usually click “accept cookies” without reading the disclaimer. Other times, when customers do want to decline the use of cookies, there isn't a clear way to do so. This can leave customers feeling uneasy and quickly erodes their trust.

After years of demanding greater transparency and control over privacy, the public has succeeded in getting government policies passed. In Europe, the General Data Protection Regulation (GDPR) enhances individuals' rights over their personal data, while the California Consumer Privacy Act (CCPA) and Virginia Consumer Data Protection Act (VCDPA) in the United States offer similar protection. Brazil also created the National Data Protection Authority (NDPA) to support digital transformation while building trust within the digital economy.

These regulations broke new ground in terms of consumer data protections, but they also caused their fair share of frustration among businesses and users. Compliance has been a struggle for many companies, enforcement is difficult, and consumers are left with only

slightly greater transparency—plus the burden of responsibility for understanding the data privacy ecosystem.

Still, consumers don't want to let go of personalization. Despite their privacy concerns, customers expect tailored experiences and use them to build trust with a brand. They want brands to interact with them in new ways, but on their own terms. It's up to businesses to strike the right balance of understanding customer needs and behaviors—without making them feel wary about providing the data to create personalized experiences.

## The customer identity crisis.

Given that effective and ethical personalization is the gold standard in digital marketing, it's surprising how much marketers still rely on third-party cookies, which are ineffective at gathering data across unique devices and in individual web browsers.

### Poor personalization harms customer trust.



**32%** of consumers say the personalization mistake most destructive to trust is "contacting me in a creepy way."



**72%** of consumers say "bad personalization" decreases their trust in brands.



**58%** of consumers will stop purchasing from a brand that doesn't provide personal experiences they value.

Source: Adobe

Brian Boland, former vice president at Meta, predicted the demise of cookie-based measurement back in 2014. In an Ad Age op-ed, he said, “We’ll look at cookie-based measurement in two years the same way we look at a tricked-out 1992 Dell today—antiquated and inefficient.”

And as The Next Web reports, campaigns using third-party cookies overstated ad reach by 89%, understated frequency by 47%, and understated display and video conversions by 41%. Inaccuracies like these make it impossible to determine if your ads are reaching the right people and achieving the desired results.

The reality is that today, overreliance on cookies may actually hurt personalization efforts. When cookies were first implemented, the average consumer had access to only one connected device, and businesses could reasonably associate every device with a specific user. But according to Deloitte, the number of smart devices has more than doubled over the last two years—largely due to the COVID-19 pandemic—with an average of 25 connected devices per household within the United States.

Making the customer experience consistent across all those devices is critical to establishing value, but that’s a tall order if you rely on third-party data. For example, a customer might make a purchase in transit on a smartphone before sitting down at their laptop later the same day. Third-party cookies recognize only the device, not the customer, which means people will still receive ads on their laptop for the item they just purchased.

That subpar experience is likely to annoy them or feel like a disconnect—which ultimately reflects on your brand. And you’ve wasted your marketing dollars on a bad ad spend, which compounds over time.

## Partner perspective.



**Sheri Bachstein**

General Manager of Watson Advertising  
and CEO of The Weather Company

*Sheri Bachstein of IBM discusses how the cookieless future will transform the advertising industry—and why AI will be at the center of that transformation.*

The path forward is not about replacing the third-party cookie—instead, it's about designing a sustainable long-term solution that delivers better results for marketers. For us to make formidable, much-needed changes to the whole ecosystem, we can't be using point solutions. We also need to avoid challenges with privacy legislation and options that give big tech too much power to remove identifiers and make decisions for all of us.

Third-party cookies informed marketers only about the past, and that's simply not good enough anymore. The way forward is going to take a combination of first- and second-party data. We have such amazing technology that can help us predict the behaviors of consumers. To transform the advertising industry, we're really putting our effort behind artificial intelligence (AI) because it's proven. We know it works.

AI augments—not replaces—human thinking. It can take massive datasets and see patterns. And it will be incredibly powerful because you can achieve scale. For example, a company's

publishing platform sees 350 million consumers every month. The business doesn't need to collect identifiers from all of them to deliver to its marketing team or partner brands.

That's because AI uses the environmental data and consumer behaviors to create insights. It can look at consumer behaviors and decide in real time what advertising creative is best suited for that user. So, while you and I might be looking at the same website, we'll see different ads because the AI has learned what messaging and images resonate with me versus you. And it's all done without knowing who I am.

There are three things everyone should be thinking about right now. One is being consumer-minded—providing consumers with relevant, valuable content while protecting their privacy. Second is building long-term sustainable solutions that won't face threats. That will help us drive revenue across the entire ecosystem. Third, we need to share tech across the entire open web. It shouldn't be held back by one walled garden. This is the transformation that needs to happen.



**There are three things everyone should be thinking about:**

1. Being consumer-minded
2. Building long-term sustainable solutions
3. Sharing tech across the entire open web



## PART TWO

# Confronting acquisition challenges in a cookieless world.

For all the shortcomings of third-party cookies, the marketing industry doesn't have a perfect answer for how to acquire customers without them. Third-party data may be a blunt instrument, but it's easy to obtain, affordable, and vast in quantity.

Despite the uncertainty, marketers have started to feel more prepared for the end of third-party cookies—but few have taken real action. While the Interactive Advertising Bureau (IAB) reports that 77% of the marketing industry claims to be prepared for the loss of cookies, most are not ready to adapt their data approaches and operations. When it comes to implementing new tools and strategies, 69% are not increasing use of AI and 66% are not adjusting measurement strategies. Most notably, 59% are not making investments in first-party data—data shared willingly by the consumer.

There is a clear disconnect considering the most obvious answer for preparing for the loss of third-party cookies is to use first-party data. "Going forward, first-party data and known customer IDs are going to be the common currency for the advertising landscape—and those types of identities that transcend digital online presence, such as email and phone number," says Mike Ragusa, principal expert solutions consultant at Adobe.





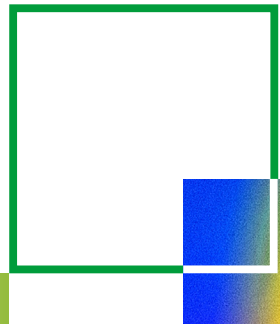
First-party data checks all the boxes—it's personal, durable, and transparent. In an ideal world, marketers would have access to all the first-party data they needed so they could deliver stunning, unique experiences without ever crossing any privacy boundaries.

Unfortunately, it's not as simple as that. First-party data presents several considerable hurdles to customer acquisition.

## Trade quantity for quality.

First-party data can be hard to obtain. Unlike third-party data, you have to earn customers' trust—there isn't a shortcut that money can buy. All types of companies, whether they're high authentication or low, will need to solve the puzzle of how to gain and correctly use more first-party data in a cookieless future.

One method to gain trust is to allow customers to control how their data is used. This helps to build a relationship where customers understand how their data fuels the experiences they interact with and strengthens the idea that trust has to be gained on both sides of the relationship—with the customer who uses the technology and the brand that's delivering personalized, respectful experiences.



Third-party data—even when pseudonymous—has always worked reasonably well for customer acquisition because of its sheer volume. It's the digital equivalent of handing out flyers in a neighborhood that meets your general demographic requirements. You develop audience awareness, capture some interest, and convert a certain number of people into customers.

These conversions don't cost you too much money, but you run the risk of annoying some people—and wasting budget on people who weren't a good fit to begin with. It isn't perfect, but it gets the job done.

First-party data, on the other hand, comes from the customers you already have—not the ones you want to convert. As you gather first-party data, you'll be able to serve your existing customers better than ever—but it won't help you acquire any new ones.

"Precision is going to increase, but scale may very well decrease," says Ragusa.

"The trade-off is moving from an era of exposures to experiences," says Ryan Fleisch, head of product marketing at Adobe. "It's no longer about just trying to get as many exposures to your brand as possible. It's about creating the most meaningful experiences for target or existing audiences."

## The limitations of walled gardens.

In response to the limitations of their own first-party data, many businesses are tempted to rely on other companies that are naturally rich in authenticated users and first-party data and who allow other businesses to use that data for targeted advertising on

their platforms. Think Meta, Google, and Amazon—closed-loop ecosystems that will command even more digital marketing power once cookies vanish. These kinds of companies are often called “walled gardens.”

Walled gardens specialize in what Meta first called “people-based marketing.” The term means just what it sounds like—forming relationships with individual consumers and reacting in the moment. It’s a strategy that takes inspiration from the days where in-person shopping was a customer’s only option. Customers guided their own experiences according to their preferences, and everything happened in real time. The goal of modern people-based marketing is to translate the in-person experience into a digital one.

“In the walled gardens of Google, Amazon, and Meta, the customer remains logged in within these ecosystems across devices,” says Owen Ray, director of content marketing at Invoca.

“ The feasibility of people-based marketing could be limited for brands that don’t have adequate first-party data and login information about their customers.

**Owen Ray**

Director of Content Marketing, Invoca

There's a lot to learn from this people-based approach. Encouraging authentication to navigate a cookieless world means putting trust at the center of the customer relationship. When it comes to relying on walled gardens for customer acquisition, there are some things to consider:



### **Loss of control over data.**

The third-party cookie marketplace was free and open. Companies could buy or sell data as they saw fit, maintaining total independence over their own first- and third-party data. Within walled garden ecosystems, however, this isn't the case. Depending on the arrangement between a company and a walled garden, the walled garden may gain access—or even ownership—over a company's data. Because of the increasing value of first-party data, as well as the increasing power of walled gardens, handing over data ownership can put businesses at a disadvantage. If you decide to work with a walled garden, proceed with caution.



### **Loss of control over analytics.**

A walled garden—Google, in particular—doesn't give its partner companies access to the raw data they need to run their own analytics. While walled gardens offer analytics services of their own, this scenario lacks transparency and prevents companies from slicing and dicing their data in the way that best serves their unique needs. Be careful of partner organizations that insist on grading

their own homework—especially when they don't allow you to double-check their work.

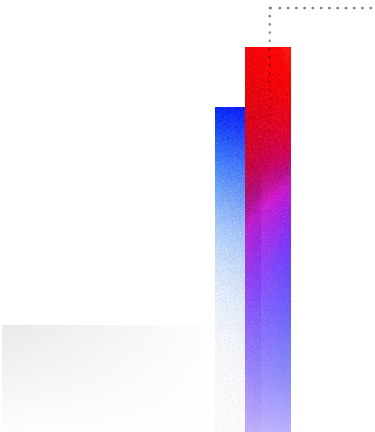
The transition away from third-party cookies should increase transparency at every level, including analytics.

While working with walled gardens may be the right choice for some companies, know what you're getting into before you sign a contract. Walled gardens are already coming under scrutiny for monopolizing search, social networking, and online marketplaces. Working with Google and Facebook only reinforces the stronghold they have on the digital advertising market.

## **Walled gardens should be a channel, not a partner.**

Avoiding walled gardens altogether is difficult, if not impossible, in digital marketing. But you don't need to enter a data partnership with them to use their web properties.

Katie Li, former audience management director at Merkle, says, "I would be hesitant to work with one of the walled gardens because you have to give up some of your control and independence. I'd be more comfortable using a company like Adobe because they're building your database for you. It's on the cloud, but you own it. Look at walled gardens as just one of your channels—or think of them as your legs, but not your heart and soul. And keep control over all your private IDs. Solutions such as Adobe Experience Platform already connect with Facebook and Google, so you can still use them while staying in control. I think that's really, really important."



## Partner perspective.



**accenture**

**Brian Duke**  
Managing Director

*Brian Duke of Accenture discusses how brands can start to develop a robust first-party data strategy.*

As companies transition away from relying on third-party data, first-party data is—and will continue to be—extremely valuable. Most brands are swimming in first-party data, but they're struggling to organize or make sense of it. Accessing and consuming key data quickly is essential to making business decisions, but rarely does data exist in one centralized place and serve the needs and use cases of the entire enterprise.

Instead, managing data correctly is a bit like finding a unicorn. It's often talked about but seldom seen. Data is worth the effort depending on its ability to be accessed, consumed, and applied quickly—yet it's often siloed, unstructured, and unusable.

Companies have an opportunity to develop a robust first-party data strategy that can grow the business value over time. To make it a reality, companies must have the infrastructure in place to centralize and organize their first-party data. A data owner who understands the data ecosystem and how data is connected to a

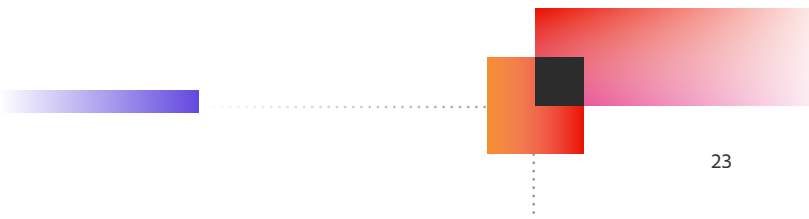
customer's digital identity is also needed. Finally, companies need a measurement framework to assess what is incremental and valuable to their business.

Companies can avoid pitfalls by developing an enterprise-wide strategy linked to each aspect of their business. It needs to be informed by the IT strategy, with assigned owners to capture the true state of data management and digital identity in the organization. To create this strategy, businesses need to ask the following questions:

- Who owns the customer relationship?
- Who owns the digital identity?
- Who owns the applications for marketing use cases?
- Is there an ideal data identity stack?

Digital identity owners need to understand the risks and implications of managing data. They need to be able to forecast against the future of technology (like the end of third-party cookies) and privacy or consent changes (like CCPA, CDPA, and more). They also need to be confident that they can unify the strategy across IT, marketing, and legal. Unicorns indeed, but they do exist.

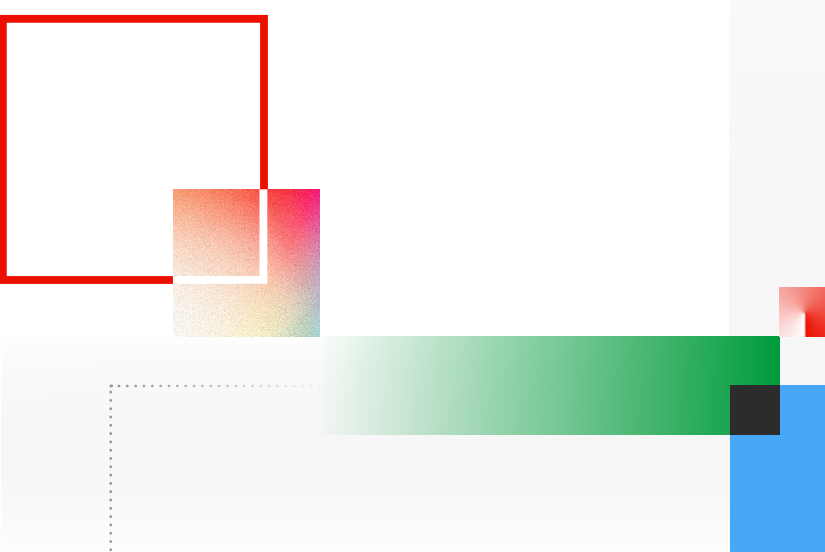
As for new opportunities to deliver experiences, brand cooperation is a way forward that enables collective bargaining to serve customers better. Brands will either working with walled gardens and relinquish some control over their data and analytics, or they can band together to shift the power dynamic back into their control.



There's also potential for new permission-based channels to emerge between the brands and consumers. Ultimately, consumers will have the final say in how their data is leveraged and by whom, allowing for existing mediums (like mobile applications and email) and new mediums and places (like the metaverse and Web3) to thrive.

As brands look to move away from cookie reliance, there's a lot of buzz around customer data platforms (CDPs) and other data unification platforms—like clean rooms—to provide an understanding of customer behavior and performance. How brands perceive and use them continues to vary by brand.

Regardless, the technology platforms are one side of the equation and must be balanced with agile teams that can enact the strategies to meet business needs. Success hinges on investing in the right talent to unify data and integrate it with technologies that deliver an experience to the last mile.





## PART THREE

# Planning for success without the third-party cookie.

If you don't have all the first-party data you need to succeed without third-party cookies, there are plenty of ways you can continue to develop your audience and start reaching new ones. The approach will look a little bit different for every company—there's no single correct path forward.

In this section, we'll cover four strategies.

## Authentic relationships are built on authentication.

The most straightforward way a company can gain more first-party data is simply to ask for it. If you don't already have an authentication strategy in place, you should consider creating one.

Authentication could be signing up for a newsletter or signing into an account using an email address or phone number. From there, every action taken on a business's web property is stored in that customer's profile, adding value at all levels—individual, segment, and full customer base.

Businesses aren't the only ones benefitting from authentication. According to the [Adobe Trust Report](#), consumers trust brands that use technology to personalize experiences. As nearly all companies start collecting authentication data, they'll be able to provide better customer experiences everywhere their customers go—all while maintaining ownership of their first-party data.

In a cookieless world, authentication can no longer be an afterthought—especially if you want to steer clear of walled gardens.

## Universal identifiers—pros and cons.

### The basics of authentication:

Authentication	High-authentication industries	Low-authentication industries
<p>When customers give a company a verifiable, durable piece of identity data, they are considered authenticated.</p> <p>Common examples include signing up for a newsletter or new account via email address, or logging into a website with a username and password.</p>	<p>When customers give a company a verifiable, durable piece of identity data, they are considered authenticated.</p> <p>Common examples include signing up for a newsletter or new account via email address, or logging into a website with a username and password.</p>	<p>For some businesses, users don't need to provide personal information or form an ongoing relationship to get the value they're seeking. These are low-authentication businesses.</p> <p>Typical industries are retail, manufacturing, and media.</p>

Since the shift away from third-party cookies began, companies such as IAB Tech Lab's DigiTrust, the Advertising ID Consortium, and The Trade Desk's Unified ID 2.0 have been working to replace them with universal identifiers—that is, identifiers that can work within and outside of your own web domains. While the idea has its merits, it also has a few downsides. Introducing yet another piece of data into your system creates a delay, which is the opposite of what you want in a world of real-time personalization. Plus, the wide array of emerging identifiers suggests that no one system might actually become universal.

Instead of another ID, marketers need a system that can stitch together all the right pieces of data—such as a customer’s email address or phone number—and apply them across channels. This is one great reason to make sure you’re on top of your authentication strategy.

Upfront authentication isn’t an absolute—it doesn’t make sense for every type of business. For example, in finance and healthcare it makes sense to authenticate users at the start because you’re dealing with sensitive personal information. In other industries, such as manufacturing or media, you might ask users to authenticate only when they reach a certain point in the customer journey.

## Strategies for consumer packaged goods and other low-authentication industries:

- **Offer a mutual benefit.** In exchange for being a part of your program, offer compelling content, discounts, or other customer benefits.
- **Get your SEO in order.** Strong organic search placement will help with acquisition and soften the blow of losing third-party cookies.
- **Find the right data partnerships.** Sharing second-party data with complementary companies can expand your reach without giving up your autonomy.
- **Consider a subscription model.** While subscriptions won’t help increase your reach, they can strengthen customer relationships and provide recurring revenue.

## Authentication best practices.

1. Start by evaluating your current authentication practices—including whether authentication is right for your company. Your goal is to capture as much first-party data as you can while offering a wonderful customer experience. What could you start, stop, or change to make this possible?
2. Place your authentication prompt at the most appropriate place in the customer journey for your business, whether that's up front during the consideration phase or down the line at the moment of purchase. If you aren't sure where to ask for authentication, try testing several options until the answer is clear.
3. Avoid making your authentication request purely

## Strategies for finance and other high-authentication industries.

Christopher Young, director of financial services industry strategy at Adobe, recommends that high-authentication companies ask themselves four questions:

- How can I prepare my organization for the coming changes?
- How do I handle privacy in the collection of customer data?
- How do I collect the data that I need right now?
- How can I connect this data to a robust customer profile?

"In financial services, there's a higher degree of scrutiny and sensitivity toward risk. Privacy and consent management really matter," says Young. For high-authentication industries, maintaining your existing customers' trust is more important than building out your first-party data. Young urges privacy-forward companies to find technology with rock-solid security and consent management tools. That way, as you scale, you never fall out of compliance.

transactional—it should be a positive and natural part of the overall customer experience.

Whether you're a high- or low-authentication brand, authentication and first-party data won't give you access to customers when they're outside your web properties. What authentication can do is encourage your customers to form more direct, transparent, one-to-one relationships with you.

## Share the data wealth through partnerships.

Chances are you're going to need to augment your data. Look to engage in a second-party data exchange, where you can work with other well-known brands—and better yet, those that matter to you or your consumer.

Second-party data can help you expand your reach and increase customer acquisition because the data is shared among a network of companies, allowing each one to advertise across the others. It has many of the benefits of third-party data, but at a smaller scale.

There are three types of data partnerships to consider:



### **Private partnerships**

In a private partnership, two companies share first-party data with one another in a closed-loop system. This can be beneficial for organizations with highly sensitive information, or those that have strong existing partnerships—for example, credit card companies and hotel chains. For most companies, however, private partnerships won't help you achieve meaningful scale.



## Data co-ops

Three or more complementary companies sharing data constitutes a data co-op. Each member of the co-op should relate to the others in a meaningful way because outside of your own web domain you'll be able to reach customers only on your partner sites—and this reflects on your brand.



## Walled gardens

Essentially a mixture of the two other types of partnerships, walled gardens offer you a direct, one-to-one data relationship that may include data from their other partners. However, as discussed earlier, you could lose control of your data and analytics—so proceed with caution and consider using tactics that minimize the negative effects, such as placing ads in walled gardens that push customers back to your site.

For most companies, working with a data co-op is the best and safest option to reach customers at scale. Gary Walter, author at Ad Age, offers five best practices for finding and maintaining the ideal data partnerships:


- **Start by getting on the same page.** Understand what your partners want to achieve through the partnership and why your brands—as well as your data—complement one another.
- **Make sure your standards are similar.** When it comes to privacy and compliance, you can never play it too safe. Make sure your partners won't become a liability.

- **Source good data the right way.** Every partner needs to source data ethically and ensure its quality to maintain customer trust across the co-op.
- **Keep your data fresh.** Data doesn't last forever. Be sure you and your partners agree on how to update, cleanse, and reconcile your data.
- **Include all the right types of data.** To get what you need out of the partnership, specify what data mix you require—as well as what types of data you can offer.

## Put your campaigns in context.

If you've been in marketing for a while, you're probably familiar with contextual targeting. It was a popular method of web advertising before behavior-based personalization tools arrived on the scene, but it's still used as a complementary tool. The strategy is simple—advertise to customers based not on their individual preferences, but on the nature of the content they're engaging with.

You don't need any customer data at all to do contextual targeting, but the problem is that different customers engage with content for different reasons. For example, a user might read an article about getting a good deal on a used car on a publisher's website. The user could be a first-time car buyer, a parent looking to surprise their teenager with their first car, an experienced driver looking for buying tips, or even a non-driver doing research on the automobile industry. Without information on the user, there's a good chance contextual ads will miss the mark.



Fortunately, two fresh approaches to contextual targeting can improve your results:

- **Activate your situational data.**

The subject matter of your content is only a fraction of the information available to you. Within your own web domain, you can determine where and when a user is visiting your site and use that information to target specific types of customers. While situational data has its limits, it can be useful. For example, a clothing company can serve up different ads in January to a user in the Florida Keys than a user in upstate New York.

- **Work directly with publishers in a data co-op.**

Instead of working with a complementary brand, partner with media companies and content-producing organizations that are losing ad revenue with the demise of the cookie. These publishers know their content better than anyone else—and they have an abundance of first-party data to use to ensure customers see the right ads at the right time.

As Seb Joseph, senior news editor at Digiday, says, “While platform companies like Google and Facebook control an abundance of data about consumer purchases, they don’t own an abundance of content like publishers do. Therefore, these platform companies cannot collect as much data about people’s engagement with content. For advertisers with large customer databases, availing themselves of the opportunity to match their own data to the unique rich datasets owned by publishers is a safe, effective bet in a market with a growing scarcity of quality audience intelligence.”





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Senior News Editor

Digiday

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### **Outdated data management platforms.**

Platform solutions that worked in the era of the third-party cookie won’t serve you in the new marketing landscape. For example, a data management platform (DMP) will be phased out over time as a result of industry changes.

Instead, organizations need to focus on building real-time customer profiles.

“The profile is imperative, and it fuels customer experience management,” said Amit Ahuja, senior vice president of Adobe Experience Cloud platform and products. “It is the brain and the heart of everything that happens within the experience. And it has to, by definition, be real time to be able to deliver the right experience to the consumer wherever they are.” Brands can also use the valuable first-party data they’re collecting for a variety of marketing and advertising purposes across every channel.

To do this, marketers need two things:

- **A customer data platform (CDP).**

CDPs are built specifically for complete data management across sources and types. The best CDPs have consumer trust and scalability at their core. By assimilating all user data into individual profiles, you'll get a full view of customers that you can use at the top and middle of the sales funnel, from acquisition and prospecting to retargeting and growing lifetime value.

- **Real-time capabilities.**

With contemporary technology, you can capture important data points as they happen—customer behavior, purchases, service inquiries, and more.

Your technology needs to keep up with your customers' interests—just as the barista at your favorite coffee shop keeps up with orders you might enjoy without needing your name, email, phone number, or Social Security number. Instead, they can offer recommendations based on your previous interactions and ordering behaviors. Personalized experiences should feel just natural, in real time.



## Develop a strategy for lifetime value.

Meaningful relationships with customers drive business growth, and technology has made it possible to build those relationships at scale through personalization and high-touch customer experiences. Still, success has always been measured by the value you offer your customers—and that won't change in a cookieless world.

The hard truth of the new paradigm is that you may not be able to reach the same number of customers you could before. The third-party cookie was primarily about quantity. The new reality shifts the focus back to value—but the value you offer over a lifetime of engagement with dedicated customers, not the value you offer to as many customers as you can acquire.

You must plan to invest in your existing customers in a way you didn't before.



There's been a shift in the responsibilities and expectations of marketers to provide real, tangible business value. Instead of measuring success by surface level metrics, it is going to be measured by longer term indicators like lifetime value and repeat purchases.

**Ryan Fleisch**

Head of Product Marketing, Adobe

## Partner perspective.



**MERKLE**

**Katie Li**

Former Audience Management Director

*Katie Li, formerly at Merkle, discusses ways brands can adopt new data strategies and technologies to deepen relationships with customers.*

Executives and leaders need to look at the coming transition as an opportunity to evaluate how much they're relying on third-party data. The first step is to do an audit on your identity space, technology, and data—how is your business currently using different IDs, and what and how are you budgeting for the digital media world? You might be surprised by what you find.

Then you need to look at the new technology that can help. If you're still using a DMP, it might be time to consider migrating to a CDP, which is custom-built to handle identity challenges. DMPs and CDPs share a lot of similarities, so you can use the learnings, principles, and governance developed for DMPs to kick-start your CDP.

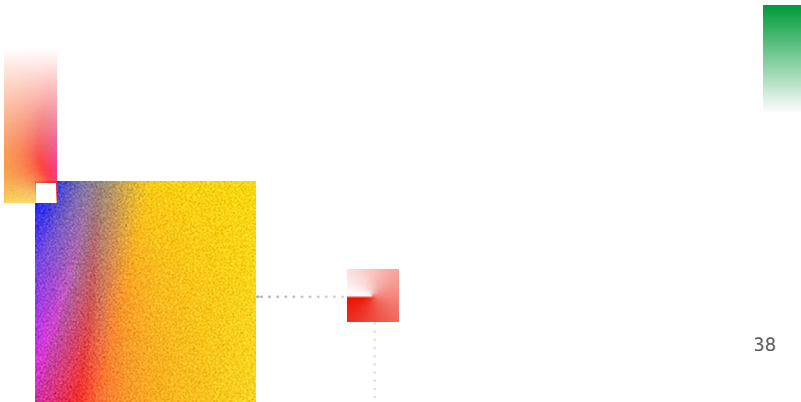
It can be tempting to try to use the best vendors in every category, but this can be problematic. Tech solutions—even if they are best in class—won't serve you if they don't talk to one another. For example, if your personalization technology draws from data that's several months old, are you really giving your customers the best possible experience?

It's important to seize this opportunity to update your technology and data strategies so you can go deeper with customers than third-party data ever made possible. Think of it like online dating—you can connect with a ton of people, but you don't really have relationships with them until you put in the work. A big number of connections alone won't get you anywhere.

In the past, with DMPs and third-party cookies, the trend was to get as many people as possible inside the door. But for a business to be successful in the long run, you need to sustain and nurture each relationship. There are lots of positives here because we're moving past the anonymous crowd into relationships with individuals.

There are a few ways to make this work in practice. The first thing you need is some form of value exchange. You can't expect customers to give you their data for no reason. There are tons of ways to do this—coupons, rebates, discounts, and so on. Another way I've seen businesses do this is through gaming. You can gamify your loyalty program, for example, to draw people further into your brand's ecosystem.

Regardless of how you get your first-party data, the important thing is what you do with that data afterward. It's all about how you nurture the relationship and deepen it over time.





## PART FOUR


# Putting it all together—your step-by-step guide to creating a cookieless strategy.

We've outlined a high-level vision for a cookieless future and shared some best practices—now we'll distill those concepts into a practical set of actions.


### Seven steps to thriving without third-party cookies.


- 


1  
Assess where you are.
- 


2  
Streamline to a single domain.
- 

3  
Consolidate your data.

- 

4  
Capture durable identifiers.
- 

5  
Use contextual targeting.
- 

6  
Use publisher targeting.
- 

7  
Follow privacy regulations and guidelines.

Justin Merickel, vice president of business development for Adobe Experience Cloud, recommends the following steps:



## **Step 1: Assess where you are.**

Before you jump into building and enacting your cookieless strategy, take a realistic look at how your company handles first-party data.

### **Ask your team:**

- How are we currently capturing first-party data?
- What customer journeys are most successful in capturing first-party data?
- How can we replicate or improve our customer journeys to promote greater data sharing?

Think of this exercise as building a solid foundation for cookieless marketing. The better you understand how your organization gets its first-party data, the more you can do to increase it.





## Step 2: Streamline to a single domain.

Disconnected domains fragment your first-party data pool, making it harder to apply personalization and gather insights across your web properties. When you use a single domain, you can ensure that all customers—new or returning—benefit from your full data pool.

### Action items:

- Evaluate whether your business can streamline web domains, and if possible do so.
- Set server-side first-party cookies to ensure you're capturing all customer data in real time.
- Get visibility into behavior with customer profiles and gain insights with analytics.
- Store your data safely outside the browser to avoid losing important profile information.



### **Step 3: Consolidate your data.**

Whether or not you choose to operate in a single web domain, keep all customer data in one place.

When customer data lives in silos, you have only a partial view of your audience and can't offer the best possible experiences. Without third-party data to cast an ultra-wide net for acquisition, treating your existing customers with care is extra important.

#### **Action items:**

- Create unified customer profiles.
- Deliver high-caliber, personalized experiences across every channel.
- Ensure your technology complies with regional and organizational governance requirements.



## **Step 4: Capture durable identifiers.**

Durable identifiers—meaning data that rarely expires, such as email addresses and phone numbers acquired through authentication—are the gold standard. They provide a stable data foundation you can build on over time.

### **Action items:**

- Evaluate the types of first-party data you're currently collecting.
- Consider implementing or updating your authentication strategy.
- Ask customers to verify and update their emails and phone numbers regularly.



## **Step 5: Use contextual targeting.**

Across your own or partners' web domains, use contextual targeting to reach new and existing audiences and create brand awareness. Today's contextual targeting is highly advanced, and the best partners process content from a huge number of webpages every day, gathering insights and associations that cover thousands of topics.

### **Action items:**

- Find ways to sell, cross-sell, or upsell audiences within your own domain based on context.
- Build contextual advertising relationships with partner organizations.
- Work closely with partners to ensure your marketing campaigns coordinate with your chosen contexts.



## Step 6: Use publisher targeting.

Similar in many ways to contextual targeting, publisher targeting takes your ads a step further. By applying their own first-party data and insights along with yours, top publishers like *The New York Times* or WebMD can target audiences with a high degree of specificity. Depending on your needs, you can choose to work with an individual publisher or a coalition. Unlike working with walled gardens, such as Meta and Amazon, you can keep—and run analytics on—your own data.

### Action items:

- Locate a publisher or publishing coalition whose content relates to your business.
- Carefully review the publisher's audience base to ensure coordination with your own.
- Optimize your campaigns regularly to ensure the best possible performance across publisher sites.



## **Step 7: Follow privacy regulations and guidelines.**

Respect for consumer privacy is the motivating force behind the end of third-party cookies. Monitor existing data governance policies—and proactively listen to and respect your customers' wishes regarding data privacy.

### **Action items:**

- Ensure your marketing technology automatically applies all relevant privacy regulations.
- Maintain an open conversation about privacy with any data-sharing partner organizations.
- Stay up to date on GDPR, CCPA, and other privacy laws.

While nobody knows just what the cookieless future has in store, following these guidelines will put you in a good position to gain and retain customers without third-party data. Revisit your marketing strategy regularly to make sure you're keeping up with the latest tools, technologies, and best practices. And remember that when you put your customers first—no matter what type of data they have to offer—you'll always be on the right path.

## Partner perspective.



**Joe Obringer**

Director of Search and Media

*Joe Obringer of Capgemini shares strategies for turning consumers into advocates—so you can drive business growth.*

Businesses should use this paradigm shift as an opportunity to further engage their existing customers and to expand their customer base through tactics such as referrals, social sharing, influencers, and loyalty programs. Creating advocates out of your customers will help build your base more organically—and in many cases, less expensively.

There's no doubt you'll need more creative ways to attract your audience. However your business sees and differentiates itself in the marketplace, double down on that approach to acquire new customers, whether it's price (sales, discounts), quality (money-back guarantees), or features (something new and different).

The risk with the elimination of third-party cookies is that you'll be targeting the same customers over and over again. That's valuable, but it won't grow your base. You need to provide value to new customers so they feel more comfortable and willing to share their information. Make sure they understand that the data will be

used to help them find products more easily or provide them with discounts or special offers.

Learning more about your customers can help personalize their experience, whether that's through the website, marketing communications, or social channels. That will make them more likely to recommend the business to others.



Businesses need to go "all in" on differentiators to attract new customers, whether it's:

- **Price** (sales, discounts, and so forth)
- **Quality** (money-back guarantees and so forth)
- **Features** (someone new and different)



# Adobe can help.

## Diving into Adobe Real-Time Customer Data Platform.

By investing in a first-party data strategy, you can build lasting relationships with your customers—and significantly impact your business. In fact, according to the *Adobe 2023 Cookieless Study*, 32% of brands that use a CDP are able to produce ROI more efficiently, and 33% see an increase in the number and value of completed transactions. They're also building better bonds with their customers, with 47% reporting more direct relationships and 40% saying customer loyalty has increased. We also found that 39% are achieving better personalization, while 42% can work better and faster across marketing and IT. Together, these benefits all add up to a stronger data strategy.

### Brands that use a CDP:

**32%**

32% produce ROI more efficiently.

**47%**

47% have more direct relationships with customers.

**40%**

40% have increased customer loyalty.

**39%**

39% are achieving better personalization.

**42%**

42% can work better and faster across marketing and IT.

**33%**

33% see an increase in the number and value of completed transactions.

Source: Adobe

The opposite is true for brands that don't embrace a CDP in the cookieless future. We found that 40% of these companies struggle to deliver personalized experiences to clients across channels, and 34% say they can't use their marketing investments efficiently. Without the right technology, these brands are at a competitive disadvantage with a major risk of getting left behind.

Adobe Real-Time Customer Data Platform is specifically designed to transform first-party data into respectful, personalized experiences. It allows marketers to intelligently collect, normalize, govern, and unify data into real-time profiles that can be activated across any channel.

Place the same trust in your technology as you ask of your customers. Explore how Real-Time CDP capabilities can make the most out of consumer data:

### **A centralized hub for first-party data.**

Real-Time CDP brings together first-party data for a more complete view of customers. It combines first-party web, app, and media data from interactions like web browsing activity or emails and phone numbers from customer registrations. As more data is added and richer customer profiles are built, brands can use Adobe Target to personalize experiences.

### **Patented data governance.**

Adobe's out-of-the-box patented framework simplifies and automates the process of gaining consented customer data and categorizing datasets, ensuring adherence to data-related policies and regulations. That way, brands can spend less time

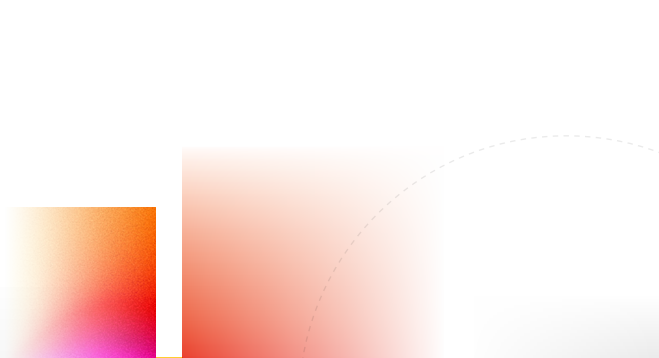
on data compliance and more time creating meaningful customer experiences.

### **Real-time, machine learning-powered personalization.**

Encouraging an unknown visitor to register on a brand's site can be a challenge. As Real-Time CDP builds customer profiles, Adobe Target ingests all available data and builds the next best content, offer, or experience in real time. This includes identifying the right moment to trigger registration and consent requests. Target brings propensity scores—the likelihood that a visitor will perform certain actions like a purchase—from Real-Time CDP into Target to deliver experiences that turn prospects into customers.

### **Segment match.**

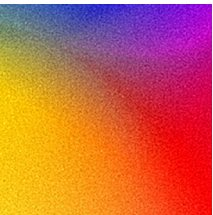
Brand partners can expand their own first-party datasets with segment match. Marketers can securely enrich their matching first-party profiles with segment metadata for better insights and personalization. Partners can exchange non-sensitive, consented segment data on customers they have in common, providing a more complete picture of customer preferences.



## **Lookalike segments.**

Brands can identify more customers who share similar attributes with brands' best known customers using lookalike segments. These segments can also be used with segment match to identify and send a sample audience of existing customers to a segment match partner. Based on the data, the partner can build a lookalike segment of other customers within the partner's own database with similar characteristics—all with customer consent.

Simply expecting consumers to provide first-party data is not enough. Brands have a responsibility to use insights transparently to power personalized experiences—all while building trust consistently by meeting the needs and behaviors of consumers. With Adobe technology, consumers can feel confident knowing their data is secure while businesses can adapt quickly to the digital-first economy and still provide authentic experiences.



Data needs to be anchored in trust. Learn how Adobe technology can empower you to securely transform customer data into the personalized experiences that build customer trust.

**Our four pillars of customer experience management:**

Data insights	Audience management	Customer journeys	Content
<p>Collect data on your customers' needs and behaviors for an up-to-date and actionable view of their journey.</p>	<p>Turn these insights to action with complete data management for your profiles and audiences.</p>	<p>Use these customer profiles to orchestrate and deliver personalized journeys across any channel.</p>	<p>Power each interaction with the right content at the right time for optimal impact.</p>

**Adobe products**

<p><a href="#">Adobe Product Analytics</a></p> <p><a href="#">Adobe Customer Journey Analytics</a></p>	<p><a href="#">Adobe Real-Time Customer Data Platform</a></p> <p><a href="#">Adobe Audience Manager</a></p>	<p><a href="#">Adobe Journey Optimizer</a></p> <p><a href="#">Adobe Campaign</a></p> <p><a href="#">Adobe Target</a></p> <p><a href="#">Adobe Marketo Engage</a></p>	<p><a href="#">Adobe Experience Manager</a></p>
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