

The Post-Cookie Marketing Playbook

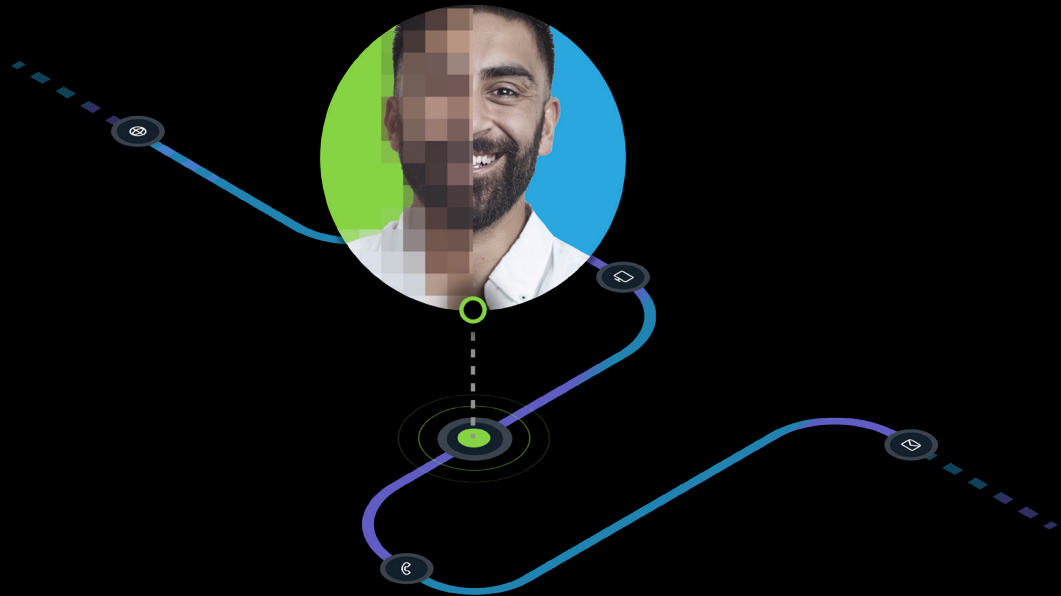


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The 1st-Party Data Imperative

The death of the cookie isn't the end — it's only the beginning.

Between 2016 and 2021, global governments implemented a wide range of restrictive privacy laws. During the same time, various technology companies limited how brands could track consumers across websites, applications and devices.

What began with the General Data Protection Regulation in Europe — and is progressing with Google's [elimination of third-party cookies](#) from Chrome — will continue to accelerate.

The only winners in this scenario are brands with access to authenticated first-party data.

As we barrel toward a digital landscape where consumer analysis, identification and targeting are monopolized by a small number of walled gardens — built by tech giants and powered by years' worth of first-party data collection — brands will be left with two choices.

They can either be forced to rely on walled gardens for advertising, limiting their visibility into customers, driving up acquisition costs and putting revenue at risk. Or they can build their own first-party data strategies for a privacy-first world.

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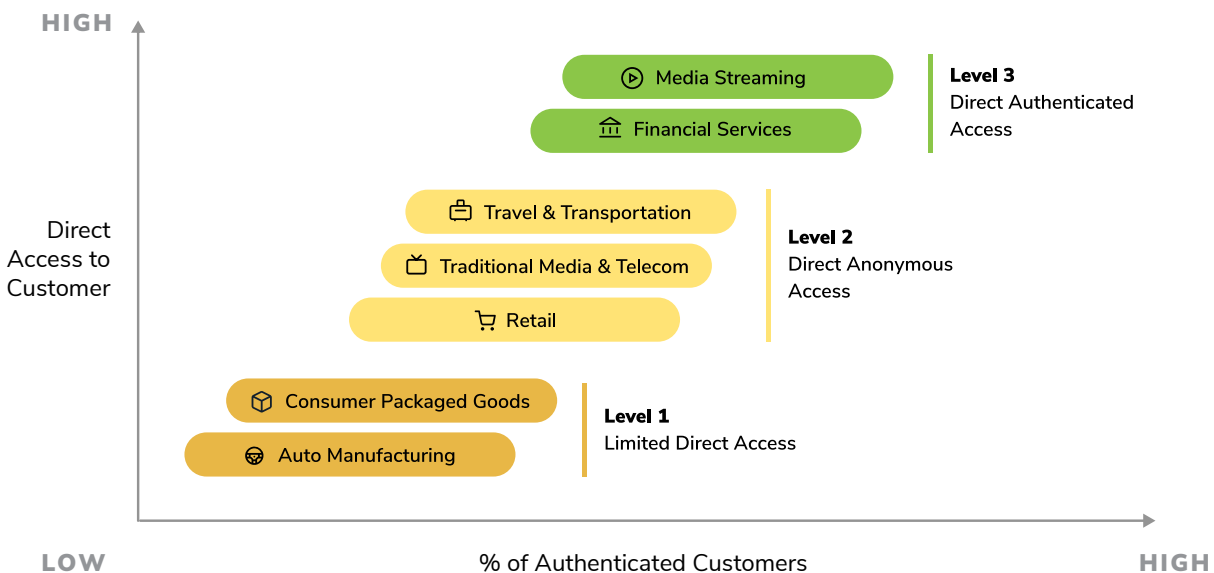
According to a report from the Interactive Advertising Bureau, [37% of ad buyers](#) said a lack of first-party data was their greatest concern regarding media spend and measurement in 2021. The only issue that had them more worried? Internal stakeholders not understanding the consequences of consumer privacy regulations and the disappearance of cookies and identifiers.

First-party data strategies are no longer nice to have — they're imperative. Without them, brands will either have to bow down to expensive walled gardens or lose their ability to deliver the personalized, impactful experiences their customers demand.

Use this guide to understand where you fall on the customer data maturity spectrum, what it takes to develop your first-party data strategy and the best place to start based on your unique business needs.

Where You Are vs. Where You Want to Be

Your customer data maturity depends on two factors: how much direct access you have to your end customers and the amount of authenticated customer traffic you have across your digital channels. Where you fall on this spectrum should inform how you begin building out your first-party data strategy, but it doesn't change your end goal: future-proofing your brand for a privacy-first world.



LEVEL 1 - LIMITED DIRECT ACCESS

The further your brand is from the end customer, the less direct digital traffic you're likely to have. Brands in industries such as automotive manufacturing and consumer packaged goods tend to have limited direct access to their customers and a smaller percentage of authenticated traffic to work with, making them highly reliant on anonymous third-party data.

LEVEL 2 - DIRECT ANONYMOUS ACCESS

Due to the types of products and services they provide, some brands have substantially higher levels of direct digital traffic. Still, much of this traffic remains anonymous. Brands in industries such as retail, traditional media and travel must transform unknown customers into known ones to reduce third-party data dependence.

LEVEL 3 - DIRECT AUTHENTICATED ACCESS

Some industries have collecting and authenticating digital traffic built into their business operations. Brands in industries such as financial services and media streaming are typically well on their way to developing successful first-party data strategies, but need to focus on maximizing the value of their customer insights.

Phase 1: Short-Term Fixes

This phase is designed to help brands meet their immediate advertising needs. However, it's not a long-term solution. With high costs and uncertain results, it should be viewed only as a first step.

Continue to Leverage Walled Gardens

🔍 WHY

By purchasing ads based on first-party data provided by walled gardens to build targeted or lookalike audiences, you can continue promoting relevant ads to prospects and customers without having direct access to their authenticated data.

With that said, using a closed platform that is controlled by the ecosystem owner to identify and target consumers is costly, and it will only get more expensive as an increasing number of brands turn to walled gardens and a finite number of impressions leads to price inflation.

⚠️ KEEP IN MIND

While not a sustainable solution, increased reliance on walled gardens may be temporarily necessary if you don't own your customer data or only have access to anonymous data. Advertising through walled gardens such as Google or Facebook is likely already part of your strategy, but remember that they too are being [impacted by new privacy changes](#), limiting the data they have access to and [contributing to a surge](#) in the average price per ad.

Test and Experiment With Contextual Advertising

🔍 WHY

By purchasing ads based on keywords or topics made available by publishers — or personalizing your website based on the context of a page — you can serve up ads to prospects and customers without relying on identifiers.

With the disappearance of different identifiers and developments in artificial intelligence and machine learning, contextual advertising has gone from outdated to once again on the rise.

⚠️ KEEP IN MIND

Targeting consumers based on their environment — such as content they're viewing — instead of their individual characteristics or behaviors may [result in questionable performance](#). Scalability limitations — along with difficulty associating the context of a web page with a product or service you want to promote — is why [54% of marketers](#) say this tactic is useful, but not on its own. Additionally, while helpful for website personalization, contextual advertising doesn't solve for retargeting. You should test and experiment with contextual advertising, but only as one part of a comprehensive strategy.

Phase 2: Future-Proof Strategies

This phase is designed to help brands improve their data collection and build relationships that will support lasting success. It's key to the third and final phase of a successful strategy.

Invest in High-Quality Data Collection Tactics

🔍 WHY

By collecting high-quality customer data – which includes data explicitly provided by consumers (zero-party) and data you gather directly about them across touchpoints (first-party) – you can access and take action on valuable customer insights more easily.

First-party customer data shared with you by other brands (second-party) should also play a role in your preparation. It can be used to enrich your customer profiles, improve CX and help drive additional revenue via partner programs.

⚠️ KEEP IN MIND

Despite the deprecation of third-party cookies, not all third-party data is going away. However, data sets from intermediaries who aren't the direct collectors of that data are the lowest-quality form, and this data will continue to become less accurate and accessible due to privacy and governance concerns. In fact, one study of data brokers found that the accuracy of gender segmentation for males was only [42.5% on average](#) – less accurate than random audience selection.

Prioritize Consumer Consent

🔍 WHY

By building trust with consumers and being transparent about how you'll collect and use their data, you can strengthen customer relationships and protect your brand as privacy regulations continue to evolve.

As recent laws and updates to user tracking illustrate, voluntary agreement is now the standard for collecting customer data. Brands that make consented data sharing the norm will be prepared for whatever comes next from legislators and tech companies.

⚠️ KEEP IN MIND

Asking isn't the same as receiving. For example, when asked if iOS apps can track their behavior, people only [consent 25% of the time](#). It's incumbent on you to provide value in exchange for customer data and highlight how data collection benefits consumers. It's also essential to maintain consent by being upfront about how you plan to leverage this data. Your goal should be collecting only what's necessary, not more than you need.

Encourage Consumers to Authenticate Earlier

🔍 WHY

By encouraging consumers to identify themselves to your brand as soon as possible, you can deliver more relevant and effective CX even before you've developed a comprehensive customer profile.

Similar to obtaining consent, it's important to give consumers a reason to authenticate themselves. Special promotions, incentives and loyalty programs are all excellent ways of driving early authentication, as is offering exclusive access to products, services or content.

⚠️ KEEP IN MIND

Utilizing a progressive profiling strategy, you can collect the bare minimum to initially authenticate consumer identities – such as email addresses or mobile phone numbers – and enrich the customer profile over time by collecting new details at different touchpoints. Look for opportunities to initiate this process earlier. For example, [51% of marketers](#) planned to provide shoppers with discounts and other services in exchange for their data during the most recent holiday season.

Build a Partnership Ecosystem

🔍 WHY

By sharing your first-party data with brands in return for the same, you can enrich existing but incomplete customer records and target prospects who share traits with your high-value customers who are not yet part of your customer data ecosystem.

Data-sharing partnerships will [come in different shapes and sizes](#) depending on whether you're partnering with another brand, a publisher or even different business units within your organization.

⚠️ KEEP IN MIND

While data sharing between brands will be the next best thing to accessing unknown audiences after third-party cookie deprecation, these arrangements must be created with consumer permission. Additionally, you'll need to ensure you have detailed legal agreements for the partnership and technology that allows each stakeholder involved to protect their customer records to maintain privacy and security compliance.

Phase 3: Long-Term Success

This phase is designed to help brands connect their customer data and drive results. As the final phase in a successful strategy, it's focused on transforming data collection into revenue generation.

Calibrate Your Martech Stack

🔍 WHY

By fine-tuning the marketing technology that powers customer experiences, you can ensure you have the operational agility you need to adapt to industry changes while maximizing return on investment.

Building a best-of-breed tech stack — which enables you to swap out new elements as your needs and budget evolve — is particularly important to long-term success.

⚠️ KEEP IN MIND

Beyond flexible integrations, ensure compliance with an ever-changing regulatory environment by selecting technologies designed with data privacy and security in mind. Data democratization — which enables customer insights to be leveraged by teams outside of IT — is also crucial to an iterative, test-and-learn approach. And perhaps most importantly, evaluate and eliminate the technologies you use today that will become obsolete due to third-party cookie deprecation and other changes to user tracking.

Explore Privacy-First Solutions

🔍 WHY

By carefully weighing your options and investing in solutions that will support long-term success in a privacy-first world, you can avoid spending money on technologies with limited shelf lives.

Many brands are searching for a “silver bullet” to third-party cookie deprecation, but there is no one-size-fits-all solution that will solve every problem. As market dynamics — and your business response to them — change, it's important to understand what's on offer and if it makes sense for your brand.

⚠️ KEEP IN MIND

The three solutions receiving the most attention amid industry changes are data management platforms (DMP), clean rooms and [customer data platforms](#) (CDP). Third-party cookie deprecation is [making DMPs obsolete](#). Clean rooms — which enable organizations to share first-party data in a secure space for analytics and marketing use cases — are now being introduced by different vendors. Most brands are focused on CDPs as a solution for gathering, analyzing and activating customer data, with [67.3% of marketers](#) investing in CDPs to combat third-party cookie deprecation.

Make Identity the Core of Your Strategy

🔍 WHY

By understanding exactly who your customers are, you can ensure your CX strategy is built on the strongest possible foundation.

Identity graphs are powerful tools for gathering and linking all identifiers associated with a single person. Whether you're using anonymous ID graphs that connect unknown identifiers (devices, web browsers, etc.) or authenticated ID graphs that feature known identifiers (email addresses, phone numbers, etc.), they're essential to resolving customer identities.

⚠️ KEEP IN MIND

While you should prioritize a private ID graph built from your own data, take advantage of vendor ID graphs to increase addressability on paid media channels and enrich your customer data. [Forty-two percent of marketers](#) say they're spending time, attention and resources on identity resolution and cross-channel identification – and budgets for these areas are forecasted to grow accordingly.

Start Testing, Measuring and Optimizing Now

🔍 WHY

By getting out ahead of upcoming changes – and preparing for what comes next – you can avoid scrambling to update your strategy as inevitable adjustments become necessary.

While third-party cookie deprecation has been pushed back to 2023, other changes to user tracking have already arrived. Now is the time to [explore new tactics](#) to support your primary business objectives.

⚠️ KEEP IN MIND

Your three primary areas of focus should be identity, targeting and multi-touch attribution. Various vendors – including The Trade Desk, LiveRamp, Neustar, Merkle and more – are introducing IDs to replace third-party cookies. There won't be one winner, so the future of identity resolution will be fragmented. Explore your options to see which IDs make the most sense for your brand. The same goes for targeting and multi-touch attribution, which were historically dependent on third-party cookies. Traditional solutions will no longer be viable, leading to alternative options such as [cohort-based targeting](#) from Google and [Unified Marketing Measurement](#) from Neustar.

Where to Start

Time is of the essence, but don't sacrifice strategy for speed. After determining where you fall on the customer data maturity spectrum, take appropriate next steps across:



PHASE 1: SHORT-TERM FIXES

In general, both brands with limited direct access to customer data and direct anonymous access to customer data should start here. The tactics in phase 1 will help you shore up your near-term strategy.



PHASE 2: FUTURE-PROOF STRATEGIES

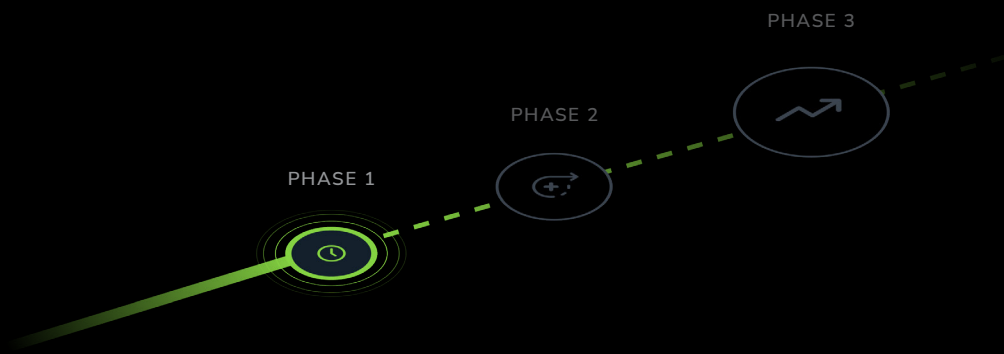
Some brands with direct anonymous access to customer data may be able to start here, but all brands, even those with direct authenticated access to customer data, should revisit and review it. The tactics in phase 2 will help you more efficiently and effectively identify and take action on customer insights.



PHASE 3: LONG-TERM SUCCESS

Brands with a high volume of authenticated access to customer data may be able to start here. The tactics in phase 3 will help you transform customer data from a cost center to a revenue generator by breaking down technology silos and empowering business teams to self-serve customer intelligence.

Preparing Today to Succeed Tomorrow



No matter what your customer data maturity level is, change is necessary. The future is still being written, but it's clear first-party data that bridges the gap between unknown and known customer journeys will be as good as gold in our privacy-first world.

Your North Star amid all this upheaval should be how you want customers to perceive your brand,

both in the CX you deliver and the way you power it with data-driven insights. After all, customer demands for privacy are growing alongside their expectations for personalized brand interactions.

Take back control of your customer data and develop a strategy today that will help you succeed tomorrow. Your customers are counting on you.



Contact ActionIQ for a consultation with one of our expert team members to understand your options regarding third-party cookie deprecation and how to select the best approach for your business.



About ActionIQ

ActionIQ is at the center of a data-driven revolution that is changing the way brands think about customer experience, digital transformation and the value of customer data as a core corporate asset. We concentrate on solving enterprise data challenges so that teams are empowered to create authentic customer experiences across all brand touchpoints. ActionIQ helps enterprise companies by connecting their first-party customer data, providing an easy-to-use interface for business users to access customer insights and enabling customer experience orchestration across channels. We are helping brands like The New York Times, Pandora Media, The Hartford, Shopify, American Eagle Outfitters and others grow customer satisfaction and revenue.

