Title A: How to Keep Digital Marketing Alive Without Web Cookies

Subtitle A: A privacy-based Internet environment offers new challenges and new opportunities to marketers.

Title B: Data-Driven Marketing Without Third-Party Web Cookies: What You Can Do Today

Subtitle B: Internet brands are migrating away from third-party cookies. Digital marketers will need to find new ways to access users.

Title C: The Definitive Guide to Data-Driven Digital Marketing Without Third-Party Web Cookies

Subtitle C: Find out how digital marketers can adjust to the new private web experience that browsers are beginning to offer.

https://unsplash.com/photos/ah-HeguOe9k

There is a paradox at the heart of cookie-based digital advertising.

On the one hand, consumers overwhelmingly prefer advertisements that are tailored to their interests. Useful, contextually relevant advertising boosts engagement in ways that non-tailored ads simply cannot match.

On the other hand, consumers also want advertisements to be less intrusive. Cookie-based web targeting has produced advertising experiences that span the spectrum from “uncanny” to “downright creepy.”

The distinction between a successful digital advertising campaign and a creepy one is wholly subjective. Some consumers appreciate the convenience that targeted ads offer, while others prefer their usage data remain unmonetized. Many consumers take an inconsistent middle position – arbitrarily allowing or forbidding cookie usage based on how they feel the moment they reach any particular webpage.

This situation has resulted in an impasse between website owners, web browser developers, digital marketers, and web users. Google and Apple decided to break ranks in January 2020 by announcing that they would begin limiting and blocking third-party web cookies by default.

This will pose a great challenge to digital marketers whose methods rely on digital web cookie data, but it will also create opportunities for achieving marketing objectives in new, more effective ways. Digital marketers that embrace this change and take action to accommodate it now will be able to leverage this impact to produce positive results.

Section One: Digital Marketing and Privacy

Cookies have been a staple of the open web since their release on Netscape in 1994. First-party cookies that authenticate logins and track shopping cart data are still going to work exactly as they always have. Third-party cookies that have come under fire for security and privacy concerns are going to become strictly regulated.

Box Text: Digital marketers rely on third-party cookies for:

- Behavioral Targeting
- Reach and Frequency Tracking
- Conversion Tracking and Attribution
- Remarketing and Website Retargeting
- CRM Targeting and Segmentation

The immediate, short-term results will be severe. Digital marketers will be unable to track conversions from users who did not click on their ads. Website retargeting engines will not be able to identify users who revisit webpages, and multi-touch attribution data will no longer be generated.

In short, many critical mechanisms that give marketers the ability to qualify users as they travel along the sales funnel will not work anymore. Advertisers will have to find new ways to capture reliable data that fills in these blanks, and they will have to do so in a responsible, privacy-oriented way.

Digital Marketing and User Data Analysis: Where the Future Is Heading

Widespread regulations like the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) are already changing the way digital marketing works on a fundamental level. Big tech companies like Google and Apple are shifting their positions on privacy to more closely align with these regulations.

These laws have given users a far greater degree of control over how their personal data is used. Moving forward, the tool for effectively balancing convenience and invasiveness will be **consent**. The effect of widespread regulations will make users think more carefully about the kinds of targeting they consent to, making opt-in marketing tools valuable assets for data-driven marketers.

Box Text: Opt-in marketing relies on user consent before sharing data. It has been standard practice in many digital marketing circles for years, but regulations are making users more aware of how their decisions impact their online experience. It is already widespread in Europe, and will likely grow in the near future.

The main obstacle to a consent-based marketing approach is the fragmented nature of today's Internet environment. The process of opting in to cookie-based ad targeting on every webpage is tedious and time-consuming – users who are simply looking for products, services, and information online are not taking the time to grant consent thoughtfully.

In context, however, this is a tactical problem rather than a strategic one. Browsers that implement all-in-one opt-in options will be better suited to serve users' needs in the upcoming consent-based, privacy-oriented web environment.

However, this is only the beginning of how the digital marketing landscape will change as a result of cookies losing their central place in the digital marketer's toolset. Consent relies on incentive, and new partnerships will generate user incentives that did not previously exist.

Section Two: Incentivized Data Collection and Partnership

User compliance is one of the major obstacles to achieving a consent-based, privacy-oriented Internet right now. Users in GDPR countries who simply pay no attention to how websites track them or use their data are implicitly allowing digital marketers to advertise to them. Once web cookies are turned off by default, they will simply continue paying no attention to how digital marketing tools impact their experience.

Convincing someone to give up their personal data in order to be advertised to requires more than asking nicely. As privacy-oriented regulation becomes commonplace, brands will have to find novel ways to incentivize the collection of data from their users.

Box Text: Less digital advertising revenue means that high-traffic web properties that are free for users will flock towards subscription-membership models. Users who have enjoyed free access to news, sports, and other content-generating periodicals will now have to pay for access. Advertisers who partner with these institutions will be able to incentivize data collection without having to ask users directly.

Incentives for data collection will focus specifically on access to high-value website content. The digital marketer's job is to identify what types of content user groups identify as "high-value," and then finding opportunities for partnerships with institutions that broadcast that value.

For example, users who care about animal welfare may contribute to non-profit organizations that advance animal rights causes. Advertisers whose products and services are contextually relevant to animal rights causes will have the opportunity to partner with these organizations in order to advertise to their subscribers – but only with the express consent of the users *and* the organization in question.

There are multiple ways this can be achieved. Email marketing is already a mainstay of the opt-in marketing strategy, and video content creators are enjoying great success using product placement advertisements in their content. New avenues for leveraging contextually relevant data to address users will open as users' engagement and subscription choices reflect their real-world priorities in a more comprehensive way than click-throughs and search queries.

Between the two options, third-party partnership opportunities are going to offer better advertising options to digital marketers in most cases. The ability to develop seamless, integrated user experiences inside their already-established app environment is going to result in a more authentic and trustworthy user perception than simply soliciting users for their personal data directly.

The Rise of Contextual Targeting and Real-Time Bidding

For most digital advertisers, the question of how to deal with a private, cookie-less Internet comes down to the specifics of how to replace tried-and-true advertising tactics with new tools that can achieve similar results. Many of these advertisers are going to flock to contextual targeting and real-time bidding.

Box Text: Contextual targeting is a type of personalized advertising that puts your pay-per-click advertisements on relevant websites without necessarily requiring third-party cookie data. For example, a local marketing campaign for a coffee shop may serve pay-per-click ads to nearby users searching for the best types of coffee. In this case, the ad uses location data to contextualize its advertisement.

With contextual targeting, advertisers will be able to qualify users according to interests they have decided to make available to the institutions they explicitly trust. Rather than getting a random advertisement for women's footwear while looking for dinner recipes, contextual targeting will allow users to engage with ads that are directly relevant to the topics they are looking for information on.

This kind of functionality is going to require a new kind of bidding process to optimize value for advertisers and web property owners. Real-time bidding (RTB) has all of the characteristics required to advance consumer interests while maximizing the effectiveness of ad strategies in a privacy-oriented web environment.

Box Text: Real-time bidding allows brands to automatically bid for individual online users' ad impressions in real-time. This allows advertisers to target the most relevant users first while giving publishers the ability to maximize the efficiency of their web properties and assets.

Real-time bidding is going to optimize the value of contextual targeting by providing a cost-effective way to access premium publishing inventory in a programmatic way. There will be a sharp uptick in demand for strong analytics talent in the digital marketing world, as well as creative talent for ad conceptualization and delivery.

Section Three: Bridging Gaps in Consumer Identity

The common thread shared by all of tomorrow's digital marketing technologies is a focus on web asset value rather than on behavioral user data. This is going to have a broadly positive impact on the quality of web properties, but it will still leave gaps in marketers' understanding of their users.

Many digital marketers will simply focus on processes that do not rely on consumer identity data that cannot easily be obtained. Location data-based contextual advertising offers a prime example of how that approach might work in practice.

With location data taking the place of behavioral user data, brands that have a solid physical presence in the lives of their users are going to have a clear advantage when it comes to optimizing ad expenditure.

It's not hard to imagine a future where retailers in tourist-heavy cities offer a "local's discount" to incentivize purchases exclusively to people whose location data confirms the fact that they live nearby. Contextually, this kind of advertising campaign would need to focus *exclusively* on local users who are actively searching for the products that retailer sells – offering that ad to *every* local resident would definitely count as an invasive move.

The ability to partner with physical brands rooted in the physical environment that users interact with will also present new opportunities to bridge user identity gaps. Advertisers and their clients are likely to form cooperating partnerships focused around the most trustworthy brands in a given area, hoping to capitalize on that brand's authenticity, visibility, and value.

This situation is not unlike the "anchor tenant" agreements in place at most retail shopping centers. Smaller retailers will crowd around a well-known retailer that guarantees foot traffic and find ways to promote non-competitive advertising to the larger retailer's consumer base. The main difference is that this kind of marketing strategy will no longer be limited to physical locations and large, big-name retailers – it could be based around any brand capable of building strong customer loyalty, like restaurants and barbershops.

High-Quality Location Data Will Take Center Stage

The power of location data in a cookie-less advertising world cannot be understated. Digital advertisers who choose to pursue location-specific partnerships are going to discover that the quality of the data they use directly impacts the effectiveness of their ad campaigns.

For instance, many ad exchanges use bid stream data to scale up their ability to identify users by their locations. While the sheer volume of bid stream data available at any given place and time is impressive, it fails to paint a complete picture of what users are actually looking for, and what kinds of content they would consider valuable at any specific time.

Again, between directly incentivized data collection and a healthy network of contextually relevant third-party partnerships, the better-integrated location data provider is going to win. Location data providers that offer value to app developers and end consumers will enjoy a unique position to leverage their data to increase app installations for their software development kit (SDK), expanding their ability to optimize the user experience for greater numbers of users.

The greater the number of installs for a location data provider, the more comprehensive its data collection efforts will be. Better data validation reduces the need to rely on statistical models to fill in consumer identity gaps, making it easier for brands to connect with users, through trusted partnerships, in a contextually relevant way.

Instead of using statistical modeling on user data, the best location data providers will build statistical models of high-quality physical-world location data, and then compile those identifiers into singular customer profiles. This approach can create the same kinds of anonymized audience profiles that digital

marketers have historically relied on web cookies for, like user-level frequency capping, audience segmentation, and performance tracking.

Conclusion: Contextually Relevant, Ultra-Targeted Content for the Future

Without the bold actions of tech giants like Google and Apple, it is likely that a superior, contextually relevant digital marketing toolset may never have come to be. This would be an incalculable loss for tomorrow's digital marketers, who will finally be able to surpass the limitations of cookie-based behavioral targeting techniques.

In the near future, digital marketers will be able to reach their greatest goal: promoting contextually relevant products and services to the right people and the right time.

While web cookies have proven themselves to be a valuable resource during their 26-year run, the time has come for a digital marketing solution that is respectful of user privacy concerns, contextually relevant to their current interests, and able to deliver value in a wide variety of circumstances. The paradox at the heart of cookie-enabled digital marketing techniques prevents them from ever fully realizing this achievement.

As digital marketers crowd around the most trustworthy brands and find ways to target users who have explicitly consented to their messaging, a new ecosystem of high-value advertising opportunities will open up. Marketers who capitalize on the advantages of this approach today will be ideally suited to maximize tomorrow's profits.

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