

# Cookieless Measurement

POV



Women-Owned · Employee-Owned · B Corporation

# Contents

3

**Background**

7

**Use Cases**

9

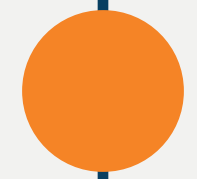
**Impacts on Measurement & Attribution**

13

**Adaptations & Solutions**

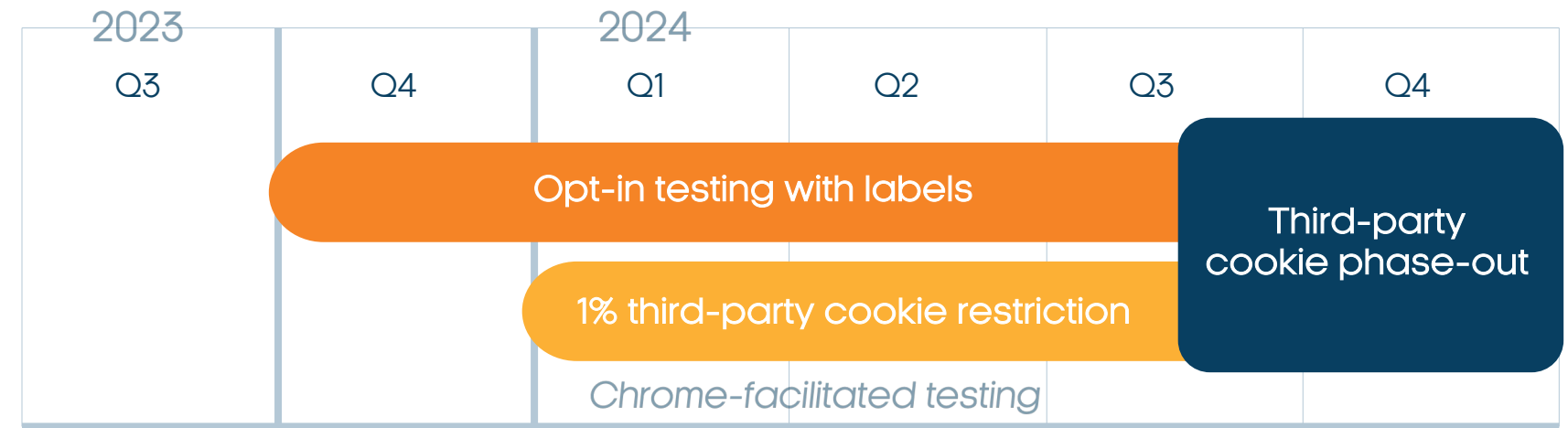
19

**The Cookieless Future**



# Background

# The Death of the Cookie



## Cookie Deprecation

Since the 2016 US election (Cambridge Analytica) where user data was improperly used to influence election results, Big Tech and the US government have worked on initiatives aimed at safeguarding user privacy. Notably, industry giants such as Apple, Mozilla, and now Google Chrome, have been implementing changes to browser functionality to limit access to device IDs and third-party cookies.

Given its dominant position in the US market, Google's decision to phase out third-party cookies throughout the year (initially trialed with approximately 1% of users) is poised to be a catalyst on what has been referred to as **"the death of the cookie."**

---

# What is a cookie?



---

A cookie is a lightweight, relatively harmless text file placed on a user's browser file. It typically won't contain anything more than an anonymized user id. This file allows the website to recognize users across sessions and domains.

---



# ● First-Party Cookies

First-party cookies, generated by the visited website, are solely accessible to that website and are widely considered beneficial for enhancing user experience by allowing users to bypass login credentials on return visits. Additionally, they preserve user preferences across sessions, reducing the need for repeated adjustments. Originating from Netscape, first-party cookies play a big role in optimizing website interaction.

# Third-Party Cookies



A third-party cookie, similar to a first-party cookie, is a small text file stored on user devices by the browser. However, it differs in that it can be associated with domains other than the visited one, enabling cross-site tracking by advertisers. This aspect of cross-site tracking is often seen as a privacy concern, distinguishing between "good cookies" and "bad cookies."



# Advertising Usage of Cookies

---

# There are two primary use cases for leveraging cookies for digital advertisers.

## Targeting


By tracking user activity across different sites, advertisers can gather valuable behavioral data. This information allows them to create highly targeted advertising strategies to reach their desired audience effectively.

## Measurement

Cookies help advertisers measure ad effectiveness by connecting user interactions. For example, if a user sees an ad on one site and later makes a purchase on another, cookies attribute the conversion to the initial ad, providing vital insights into campaign performance.







# Implications for Measurement & Attribution Strategies



**The absence of cookies, a longstanding standard in internet technology for over 30 years, drives advertisers to develop alternative measurement strategies. Failure to adapt may lead to uncertainty around the accuracy and comprehensiveness of performance data.**

**Specifically:**

- In a hypothetical scenario void of market dynamics and cookie-related impacts on targeting, continuing the same campaigns/channels would likely yield consistent conversions/sales. However, there may be an increase in conversions from "unknown" sources or a shift in conversion credit among channels. For example, a channel previously credited with view-through conversions may lose credit to another channel with an older click-through conversion.
- Tools exist to match conversion data with ad/impression data without cookies. However, it may be challenging to pinpoint precisely which impression from the same source led to the conversion.

**When delivering ads/impressions, the media strategy is usually focused on finding:**

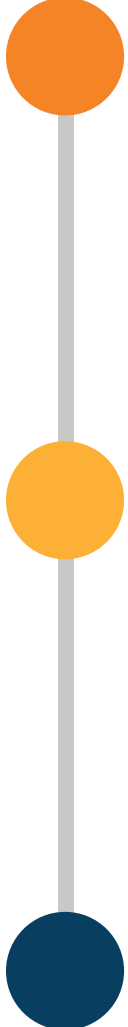


# Marketers can still grasp performance at an aggregated level without cookies.

**However,**

Pinpointing the effectiveness of specific messaging for individual users will become more challenging, leading to difficulties in understanding the contribution of upper funnel touchpoints to conversions.

# Implications for Measurement & Attribution Strategies



**Multi-touch Attribution:** Certain attribution models, such as multi-touch attribution, leverage cookies to map a customer's path to conversion. This involves tracing the sequence of interactions, like a user viewing ads on ESPN.com, Instagram, TikTok, and then searching on Google before reaching the landing page. Understanding this path is vital for refining campaign strategies effectively.

**Last-touch Attribution:** Meanwhile, many advertisers favor “last-touch” attribution models, which assign full conversion credit to the most recent source. These models will be less affected by cookie changes. Some advertisers may prefer “last-touch” models due to their simplicity and straightforward comparison of actual sales to conversions. However, other attribution models may distribute conversion credit across multiple touchpoints, leading to complexities in assigning value accurately. Last-touch models often benefit from receiving Click IDs, such as GCLID or FBCLID, and incoming URL parameters, like UTM tags identifying the traffic source.

**Post-View / Post-Click Enablement:** Cookies can also be useful to enable “Post-View” vs “Post-Click” conversions. For example, if a user sees an ad for a product on ESPN.com and then directly navigates to the product's website to complete a purchase, it's considered a “Post-View” conversion. Cookies are one tool that enable this post-view attribution to work correctly.

A vertical blue line runs down the left side of the slide, with a solid orange circle positioned on it.

# Adaptations & Solutions

# Biggest Takeaways

for Advertisers

## Navigating Digital Advertising's Customer Journey Challenge

While digital advertising measurement remains precise and actionable compared to traditional mediums like Linear TV or outdoor billboards, losing insight into the customer journey is a primary concern.

- Last-touch attribution is effective for low-cost/impulse-buy products.
- Understanding the customer journey is crucial for higher-ticket items or those involving research.
- Advertisers in these categories must explore alternative measurement methods and adopt a layered approach to maintain performance tracking.
- This is particularly important amidst third-party cookie deprecation.

## Adapting Measurement Strategies in a Post-Cookie World

Logged-in environments (email, social, etc.) will have a natural advantage in a post-cookie world.

- Careful consideration of measurement techniques for all advertising channels is crucial.
- Maintaining overall reach and effectiveness, especially in upper-funnel tactics, is necessary for publishers reliant on advertising revenue.

# ●●● Cookieless Measurement Solutions & Techniques ●●●

## Platform Pixels

Major AdTech companies offer “pixels” for direct placement on websites, facilitating server-to-server data synchronization to match impression data with conversions. While pixels provide near real-time feedback for quick optimizations within the platform, they primarily offer insights into platform-specific performance and lack holistic understanding of multi-channel campaigns.

## Conversion APIs

Some platforms, notably Meta, have planned for a cookieless future by developing “Conversion API,” which allows advertisers to add code to their websites, further enabling server-to-server transmission of conversion data. This approach allows platforms like Meta to establish more direct connections between served ads and conversion events. Butler/Till can offer help in setting up Conversion APIs for most advertisers.

# ●●● Cookieless Measurement Solutions & Techniques ●●●

## First-Party Data

Advertisers can enhance their understanding of ad performance by correlating sales data with cookieless identifiers.

Several methods facilitate this:

### ● Onboard Directly to Platforms

Major players like Google, Meta, and The Trade Desk offer the option to upload conversion data directly as "offline sales data." This involves providing as much information as possible, including personal identifiable information (PII) such as email addresses or phone numbers, to facilitate specific matching. Upon upload, the PII is hashed (encrypted/anonymized) for privacy protection. This ensures that neither the platform nor the agency has access to the PII. Brands typically prefer to handle this data upload themselves. Butler/Till may be able to assist with additional data agreements in place.

### ● Onboard via Data Connectivity Services

Leveraging LiveRamp or similar services streamlines the process by converting PII into anonymized IDs (Ramp IDs), thus simplifying data management. This allows brands to work with a single partner for data onboarding instead of multiple platforms, reducing complexity. While LiveRamp may come at a higher cost, its tiered pricing approach caters to varying needs and budgets. Additionally, once PII is converted to Ramp IDs, they can be utilized for various purposes such as sales conversion tracking, retargeting campaigns, upsells, or creating lookalike audiences to maximize the value of first-party data.

### ● Customer Data Platforms

Customer Data Platforms (CDPs) are solutions designed to help companies manage their own first-party data, and in the face of third-party cookie depreciation, their popularity is quickly rising.



# ●●● Cookieless Measurement Solutions & Techniques ●●●

## Data Clean Rooms

One of the fastest growing technology offerings since the announcements around third-party cookie deprecation have been data clean room offerings. These services facilitate secure matching of datasets without exposing the data outside of the involved parties. The IAB established standards for Data Clean Rooms (DCRs). Particularly advantageous when access to impression-level log files from platforms is available (as Butler/Till contractually mandates, primarily with DSPs), DCRs enable matches between datasets without appending alternative user IDs, ensuring advertisers retain ownership and full control over their data.

## Conversion Modeling

A growing trend among measurement and advertising platforms, including Google and Meta, is conversion modeling. This involves employing advanced algorithms, machine learning, and AI to predict conversions when data is missing or incomplete, typically with high accuracy.

For instance, a platform like Meta, detecting pixel signals from only 40% of submitted traffic and achieving 40 conversions, could extrapolate to approximately 100 conversions and report accordingly. While advertisers generally prefer deterministic (definite match) measurement, given the overall loss of signals due to third-party cookie deprecation, a modeled measurement approach is often more beneficial than an incomplete one.

# ●●● Cookieless Measurement Solutions & Techniques ●●●

## Google Analytics, GA4

Google Analytics (and similar website analytics platforms) will continue to operate despite the absence of third-party cookies. GA4 was designed with a cookieless future in mind, utilizing first-party methods to place its own cookies. By prioritizing visitor consent preferences and abstaining from third-party cookies, GA4 intends to use conversion modeling to address data gaps that may not have been present in its predecessor, Universal Analytics.

## Media Mix Modeling (MMM)

This established measurement approach holds increasing significance in assessing each channel's influence and contribution to key performance indicators (KPIs). MMM stands out for its practicality, as it doesn't necessitate ad tagging, making it suitable for most media plans. Moreover, MMM sidesteps the high costs and data loss associated with resolving customer identities, as seen in techniques like Multi-Touch Attribution. With its comprehensive yet cost-effective nature, MMM presents a compelling measurement solution in the cookieless future.

Butler/Till developed a tech-enabled simulation tool, *SIM*, that empowers teams to forecast thousands of media scenarios and find the optimal investment and channel mix to achieve custom marketing goals. *SIM* is built on media mix models that are customized for each client to align with their goals, conversion definitions, and business.

A vertical blue line runs down the left side of the page, with a solid orange circle positioned on it.

# The Cookieless Future

# Navigating the Uncertainty

It's not time to panic, but it is time to take a thoughtful approach to measurement strategies that allow your brand to make informed media decisions.

# Key Takeaways



- 1 Thoughtful Measurement Strategies:** Brands should approach measurement strategies thoughtfully to inform media decisions effectively in the face of third-party cookie deprecation.
- 2 Uncertainty Amidst Change:** While digital ad spending remains robust, the implications of third-party cookie deprecation are uncertain. The absence of cookies, a longstanding signal in AdTech, signifies significant change, with the ultimate impact still unknown.
- 3 Diverse Solutions:** Numerous AdTech and MarTech companies are working to address the challenge, though there likely won't be a single solution. Major players like Google, Meta, Microsoft, and Amazon are investing in solutions tailored to their platforms, with a potential for collaboration to expedite progress.
- 4 User Privacy and Personalized Experience:** The ideal outcome is a win-win scenario where user privacy is preserved, yet personalized ad experiences are maintained.

# Navigating the Uncertainty

While it is clear that digital ad spending is not going anywhere, brands are trying to figure out what the net result is of third-party cookie deprecation. Cookies have been used since the inception of AdTech and built into many tech stacks, that will be going away.

Meanwhile, there are many AdTech and MarTech companies trying to figure out a solution. There likely won't be one singular "solve," there will be many. Some of the largest tech companies in the world like Google, Meta, Microsoft, Amazon, etc., are invested in solutions, and it's fair to expect that they'll have measurement, at least for their individual platforms figured out. So, who will be the "winner" in the cookie replacement race? The ideal scenario is a win-win option where user privacy is protected, and the ad experience is personalized.

As the industry at large tries to estimate exactly what the impact will be, Butler/Till will be on the forefront to continue our commitment to provide best-in-class media strategies and measurement solutions.

**Want to learn more on this topic? Talk to our experts at Butler/Till about your specific needs or explore the capabilities of our advanced Marketing Science solutions.**

# Thank you

