



THE COOKIE-LESS WORLD OF WEB ANALYTICS

Abstract

In the recent past, data governance has been mandated with data regulations and data privacy laws taking centre stage. Third-party cookies are on their way out, and a huge disruption in digital advertising and marketing is on the anvil. To reach consumers, companies need to take a fresh look at their digital marketing strategies and ad spends, deepen customer engagement, and revisit traditional practices for data collection.

Till recently, online marketing largely relied on cookies and tagging for targeted advertising. A cookie is a small file stored by a user's web browser that includes data that can be used by analytics to track user behaviour. While first-party cookies

are created and used by the websites users visit, third-party (3P) cookies are stored by other websites and apps. These store data anonymously, track users, and let advertisers target users with specific ads for personalized marketing.

While legitimate cookies are justified for use by businesses, malicious cookies have caused serious infringement of user privacy, leading to data privacy regulations.



Data governance

In recent years, data privacy has become a major concern and gained significant attention. Data governance laws have been established; they mandate that companies be compliant while tracking user data for analytics. General Data Protection

Regulation (GDPR) introduced in 2018, ePrivacy directives ("cookie laws") in EU, California Consumer Protection Act (CCPA) 2020, and local data privacy laws are some regulations that gave impetus to data regulation and mandated user privacy.

Websites now display cookie notices that allow users to choose which cookies to enable. Marketers and analysts are finding it more difficult to track users as fewer users opt in for cookies, apart from the usual "strictly necessary" ones.

A cookie-free web

From iOS 14.5 onwards, Apple introduced a new protocol called App Tracking Transparency (ATT), which regulates how advertisers and apps can leverage user data for marketing campaigns. In Jan 2020, Google announced that its browser Chrome would stop supporting third-party cookies by the end of 2023. Safari and

Firefox already block third-party cookies by default.

What this means is December 2023 will hail a new cookie-less world. While users will miss a customized experience, the highest impact will be felt by advertisers and AdTech, which rely on cookies for understanding user behaviour, tweaking

ad performance, and targeting users through personalized content.

Digital marketers need to establish new cookie-less tracking mechanisms. While not having cookies ensures user data privacy, the digital marketing landscape is set to undergo its biggest upheaval yet.

Analytics in a cookie-less world

Data and privacy regulations, along with the sweeping changes, have forced advertisers and digital marketers to rejig marketing strategies and go back to the drawing board.

Undoubtedly, the Big Four — Amazon, Apple, Facebook, and Google —, with their megalithic infrastructure, can thrive in a cookie-less world, but let the others not be forced to pick up the crumbs. It's worthwhile to take a few steps back, and ask, "What are we going to miss out on?"; and then build from there. This may also be the right time to have a robust marketing strategy in place, with a better understanding of user preferences and a highly personalized approach.

The phasing out of 3P cookies requires businesses to use first-party, second-party, and declared data for targeted advertising. Businesses need to re-evaluate how data is going to be captured, processed, and analysed.

Use first-party data to pack a punch:

First-party data refers to the data directly available from the consumer and, hence, the most reliable. Mechanisms to capture this include first-party cookies on the brand website, email subscriptions, and using Demand Side Platforms (DSP) and

Customer Data Platforms (CDP). Data can be also captured through Google, Amazon, CRM software, social media metrics, customer surveys, and any other mode that involves direct interaction with the consumer. A centralized CRM solution gives brands a holistic view of the consumer. Email marketing will continue to be important, and data collected as part of email marketing campaigns can be segmented and analysed.

Declared data: This is the data shared by customers when they engage directly with the brand, and this is highly suited for personalization. Consumers usually voluntarily share information with a trusted brand, and companies can use this to gather information during surveys, in-store registration, loyalty programs, social media campaigns, and polling. It's worth noting that customers put a premium on personalized experience. A research conducted by PwC indicated that 63 per cent of respondents voluntarily shared information for a better experience. Chatbots can be used to "chat" with customers and capture customer requirements and feedback.

Second-party partnerships: These can be used to collect data from authorized

partners. Needless to say, transparency is a must for all consumers to understand how the data will be shared.

Data gathered in these ways is likely to be authentic and of high quality, but will be present in silos, across CRM platforms, CDP, DSP, etc. This offers an opportunity for businesses to deepen consumer connect. For instance, first-party and declared data can be used to create customized training videos based on customer feedback. Websites can be analysed to understand drop-offs and optimized accordingly. Social media polling can lead to an understanding of how consumers feel about the brand. Before using consumer data, companies must maintain transparency and keep users informed about how their data may be used and ensure that data privacy regulations are followed.

To be useful for analytics, data needs to be centralized in a real-time analytics platform. Only then you can derive insights and apply personalization. Companies need to partner with specialists in data management or have the know-how to harness this data.

The way forward

Data and analytics management will go through a period of disruption. The imminent dissolution of third-party cookies means that corporations need to revisit traditional sources of data such as websites, customer registrations, social media interactions, and CRM solutions. A transformation in analytics is inevitable, with consent-based advertising taking centre stage. Companies need to

incentivize customers to share first-party data. Technology and capabilities to gather, handle, and analyse the data need to be upgraded. A holistic strategy will be required to manage data in various silos. Companies need to unify and analyse it to unearth meaningful insights.

This rapidly evolving ecosystem requires that companies be agile, proactive, and

predictive. Sophisticated, customized, and holistic solutions will be required to transform marketing strategies, through sentient, real-time solutions.*

In a cookie-less world, businesses will need to quickly ramp up to the new digital marketing landscape that places users first.

*For organizations on the digital transformation journey, agility is key in responding to a rapidly changing technology and business landscape. Now more than ever, it is crucial to deliver and exceed organizational expectations with a robust digital mindset backed by innovation. Enabling businesses to sense, learn, respond, and evolve like a living organism, will be imperative for business excellence going forward. A comprehensive, yet modular suite of services is doing exactly that. Equipping organizations with intuitive decision-making automatically at scale, actionable insights based on real-time solutions, anytime/anywhere experience, and in-depth data visibility across functions leading to hyper-productivity, Live Enterprise is building connected organizations that are innovating collaboratively for the future.

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