

FUTURE- PROOFING AD EXPERIENCES

Ogilvy | Social.Lab

HOW BRANDS CAN PULL OFF FROM FIRST PARTY AND IN-PLATFORM DATA

The starting point of this paper is Google's decision to kill off third party cookies in its Chrome browser and ad network. As a refresher: in the beginning of 2021, the company first announced to downscale and permanently lock out identifiers that track users while browsing. A scripted and defaulted cookie-less future for ads.

The update was announced on the back of the wider privacy debate, a PR patch for the sake of better UX. In reality, Google's re-programming its ad solutions is often prologued as an increase of its power structure on the market. Brands on the other hand – and especially their performance teams that rely on these targeting dynamics – must scramble for other ways to track users across different sites.

Fast forward to June this year. Google acknowledged that its cookie replacing tech (a cohort-based bidding model named FLoC) missed clarity, consistency

and most importantly: the industry wasn't grasping nor buying it. With FLoC not being ready for the market, Google's engineers went back to the lab and the cookie-apocalypse got postponed for at least another year.

Still, this doesn't change the frame of this document, nor the sense of urgency to rethink ad experiences. Regardless of delaying this neck-shot for cookies, third party data is already becoming scarcer and big tech will maintain the upper hand at controlling demand.

This means that over time brands will need to build out data structures within platforms, rather than just tapping from them. In this redpaper, we try to demystify tracking limitations and come up with future-proof solutions for businesses of all sizes, pretty much with social media paving the way forward.

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THE PRIVATE WEB

In many ways Google's call to phase out cookies makes perfect sense. It follows a cluster of recent privacy regulations (think GDPR and CCPA) and Apple's much talked-about iOS 14 update. All of these emphasize on more user-controlled data and opt-ing-out alternatives.

Google's decision also falls under the growing awareness around privacy. This sparked a consumer shift from using the web for transactional utility

(sharing personal data for greater experience) to a private web stage, characterized by consent and permission-based data gathering.

And guess what, third party cookies don't really fit that mindset. Industry professionals on both ends of the spectrum admit that the tactic is outdated and a sort of backward marketing hack. This inspired Google – and its +60% market share in the browser category – to strip out third party targeting and re-invent its ad model.

Cookies

(the basics)

First-party

Proprietary data mining set within platforms, used for user journey optimization and retention.

Third-party

Set by an advertiser on a platform it doesn't own, used for cross-site targeting and holistic measurement.

Life after the cookie

From a user POV, the cookie is already crumbling. Browsing – within or outside of Chrome – has been standardized to accessing secured domains only. In addition to that, there are seemingly more user-friendly ways to customize how data is being processed. Just think of your recent visits to new websites and the custom tracking menu you're being offered.

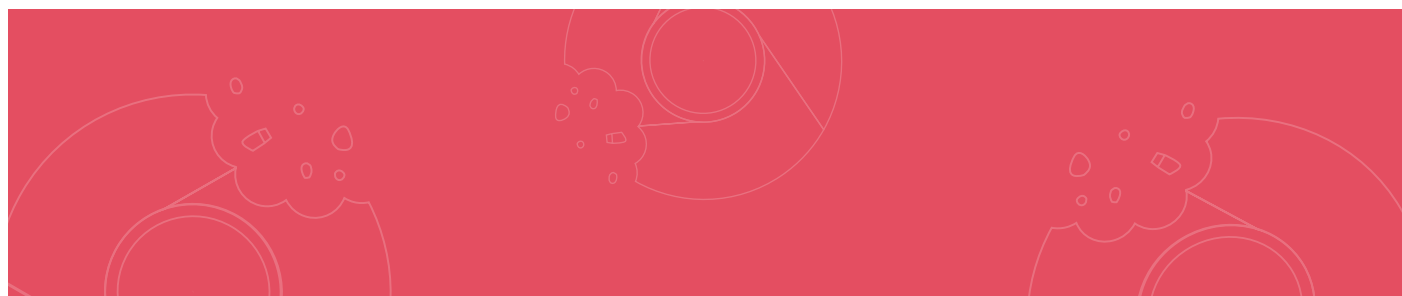
The real downside is on media buyers' side, especially in the programmatic segment. The ad trackers that capture behavioural data and share this across different domains, will be replaced with a fully platform-controlled solution.

Initially Google introduced its Federated Learning of Cohorts (FLoC), an algorithm that compiled user data into a grouped view (think: male users that like tractors and wine) and eventually offered it to ad-

vertisers for bidding. Immediately upon its roll-out and after publisher feedback, the FLoC alternative encountered some issues: what about local privacy compliance (for instance GDPR)?

More importantly was the response from FLoC-hesitant publishers and especially fellow big tech players. Amazon reportedly prevented Google to pull from domains such as Wholefoods and Zappos by blocking the FLoC code. Assuming Amazon want to protect its IP but also understands the value of the first-party demographics and addressable affinity data it's generating.

All of this led to Google re-thinking FLoC. According to several sources, they met with several publishers for a better understanding of how to engineer its revamped ad offering. And the cohorts? These seem to make way for a more topic-based approach.



Social media escape valve

As we're basically out of cookies by 2023 and an increasing pool of consumers will opt out of personalised ads, the advertiser focus will shift to solutions that can offer both scale, user-engaging formats, and qualitative targeting. In this optic, social media advertising will see a spike in interest and competition.

Also, with the rise of social commerce (think of in-platform shops), the expansion of lead gen solutions (this is even becoming a feature in TikTok) and the growing importance of conversational interfaces (e.g. Messenger), social is becoming more relevant than ever to unlock and build on deep intent signals.

“Over time brands will need to build out data structures within platforms, rather than just tapping from them.”

Recommended reading

For a broader induction in why social (still) matters for multiple facets within your organization, we suggest digging into our recently released redpaper **Driving Marketing Transformation at Speed Through Social Media**.

Gearing up

Although Google postponed the permanent deprecation of cookies for another year, this doesn't mean advertisers should extend their dependency on these tracking dynamics and prioritize smarter methods. At Ogilvy Social.Lab, we are already guiding clients of different sizes in the run-up to this new reality. Here are 6 considerations to operate at the forefront of a cookie-less future of online ads.

01

Assess your tech stack

Review which martech platforms are futureproof and hybrid. Disparate marketing and ad tech solutions could add unnecessary complexity to the picture. Therefore, it's a safe bet to unify data such as analytics, creative optimization, CRM and media into a single marketing suite. Salesforce or Google Marketing Platform will do the trick, but there are also less expensive and qualitative alternatives available for SMBs.

02

Shift to first-party strategies

Engineer strategies and campaign architectures that leverage first-party data. Growing ecosystem changes to cookie and cross-app tracking (as initiated by Apple) place a big emphasis on having and executing a first-party data strategy. Additionally, stack up with the right tech to properly identify first-party solutions. Once this strategy and identification framework is on the rails, it will help you to maintain a great level of personalization and user relevancy.

03

Explore partnerships

Team up with data partners that underpin your brand and business objectives. Along with social and walled gardens, there are also marketplaces, publishers and functional apps that sit on rich historically built data to explore. Another avenue is to get in touch with specialized research companies, which is especially recommended for brands planning a go-to-market or new product entry.

04

Do your own data modelling

Prioritize your ability to model data rather than just collecting it through conventional methodologies. Once you connect media insights and relevant engagement to sales data, you will be able to identify distinct patterns in your preferred user's behavior. This combined input will also help to predict the probability of prospect buyers for your products. Data proficiency is a leading requirement for today's marketer.

05

Re-imagine the user journey

Move away from the linear cycle of targeting-tagging-retargeting, predominantly pushed by media. Today's distribution and engagement model is rooted in the principles of context (of the consumer) and content (relevant, sequenced, or personalized) enriched via first-party data. Also, as experience is key, it's essential to keep users locked in-platform rather than re-routing them to external websites often not optimized for the limited attention span or user-centric goals.

06

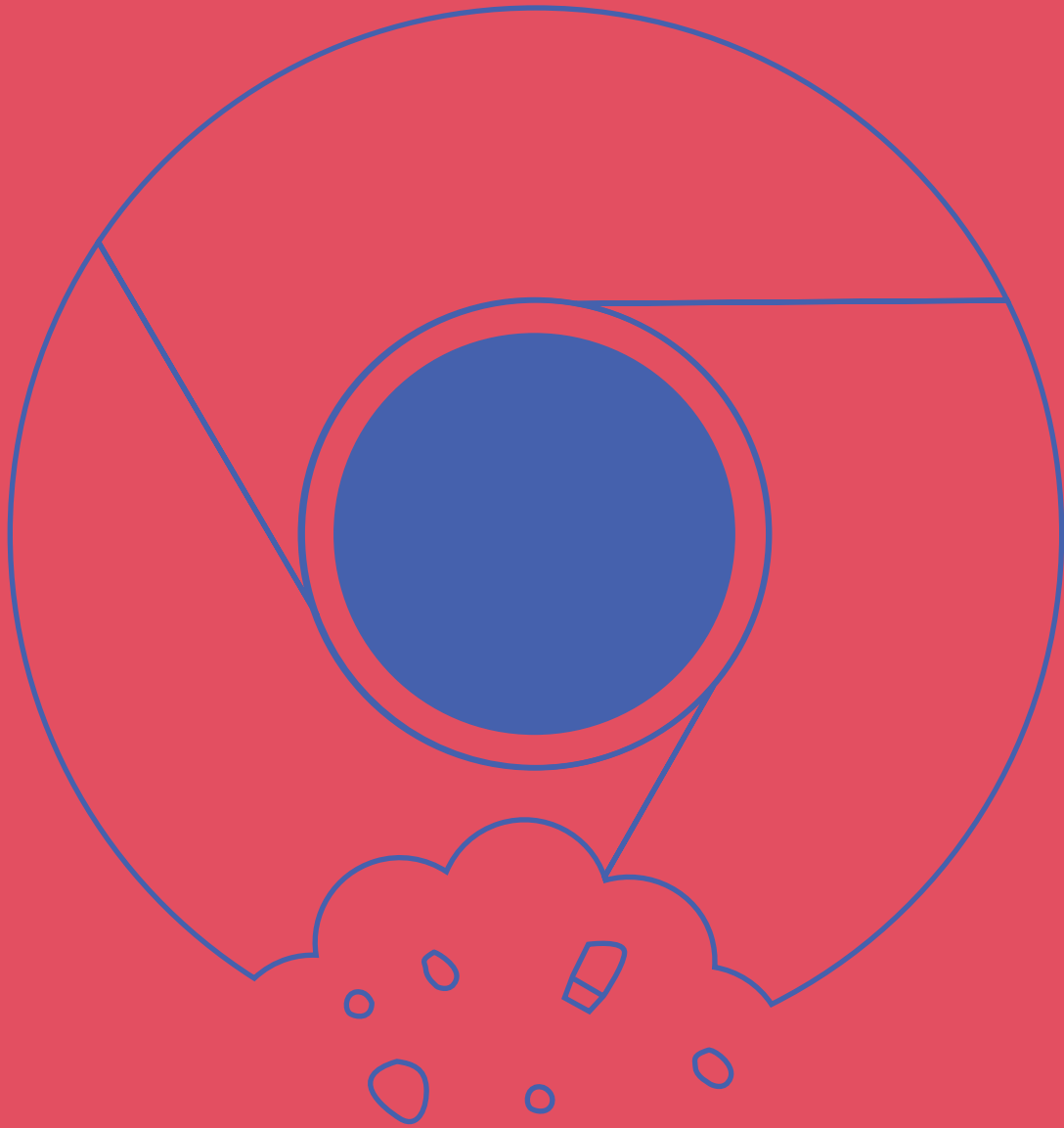
Diversify the channel (and format) mix

The more cross-channel you operate, the more diverse your analytics and insights will be. This will eventually lead to better targeting tactics and unlocks opportunities to try out different formats.

So, instead of relying on eyeball-generating banners packed in an unknown volume of web domains, shift to high-impact engagement ads that live on social and publisher spaces seamlessly matching with your ideal user.

GET IN TOUCH

Whether your organization is already halfway or basically nowhere near future-proof cookie-less ad experiences, no worries. Our team of experts can help you set up the foundations and fill in the gaps. For more information about social-first marketing transformation tactics, visit ogilvy-sociallab.be or reach out to Christophe Crasselts (christophe.crasselts@ogilvy.com).



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