



Episode 399: Life After Third-Party Cookies: What's Next for Data-Driven Marketing?

Interview with Colin Grieves and Danny Holmes from Experian Marketing Services.

Daniel Welcome back to the Digital Marketing Podcast. My name is Daniel Rowles and in this episode, we're talking about what's happening with third-party cookies.

Okay, so in this episode, we are joined by two people from Experian. Now, from the UK, you might be familiar with Experian from a kind of credit checking point of view. Experian also do a load of things around data and what they've joined us to talk about is something that's kind of unclear, I think for most marketers at the moment, which is you hear lots and lots about the depreciation of third-party cookies disappearing, the future cookie less world.

And we wanted to bring a couple of experts in to talk about what this really means in practice, what cookies are, what third party cookies are, why they're being depreciated. Google's position on this has changed a number of times; why that is, what the potential solutions are, some of these things.

So we've got a great introduction. We then get into some of the potential solutions and talk about what the future is going to look like. It's a really good kind of view of what's going to happen with all this. Now we get into some quite technical stuff around the replacement for cookies as well, but what we've also done is put into the show notes, a load of supporting reading.

And I think the reason we've done that, which we don't normally do is I think it's really important that marketers to start to understand what the



potential solutions are. but their pros and their cons, what the weaknesses are, what the strengths are and and how it all kind of fits together. So really good solid knowledge base from this so you can go away and make some informed decisions and also you can keep yourself up to date with what's changing going forwards.

So over to the interview.

Okay, I am here with Colin and Dani from Experian. So why don't we just start by you guys introducing yourself. Just tell us, for anyone that doesn't know, what Experian does, and then we'll get into this cookie stuff.

Colin Cool. Hi, Daniel. Thank you for inviting us today.

So I'm Colin Grieves. I'm Managing Director of the Experian Marketing Services business across the UK and Ireland. I'll let Danny introduce himself briefly and I'll just give a quick overview of what we do after that, if that's okay.

Danny Thanks, Colin. And good morning, Daniel. Good to be here to talk with you on this subject. My name is Danny Holmes and I'm our consulting lead here at Experian Marketing Services.

Daniel Brilliant stuff. Thank you.

Colin So just briefly in terms of who we are. So I imagine a good number of people will have heard of Experian and will know us as a credit reference business or an organisation that provides credit scores and credit products to consumers. As you will have heard at the start, we sell experimental marketing services.

So there's a bit of the business that is less linked to credit, credit risk, and that's the bit that we run. And really simply, we help organizations understand more about their customers such that they can communicate more effectively to them, create products that are more relevant to them



and help recruit new or acquire new customers that will be interested in those products and services and at the heart of what we do is data and insight. But that's what we do, marketing services to brands and organizations.

Daniel All right, brilliant. So what we'll do at the end, we'll come back to that and see how people might find out a little bit more about that. But we're here to talk about data, in particular cookies. So we've got a big range of listeners and it'd be good just to give people some context. Because I know whenever I'm running training courses, we talk about the loss of third party cookies.

And you say to someone, do you know what a third party cookie is? And they're like, oh yeah. And they really honestly don't. So maybe if you just give a bit of a brief of the history, their uses, our dependency on them and then why they're potentially being depreciated. And their flaws I guess.

I mean, cookies are not evil things, so it'd be good to give people some context.

Colin Yeah, you're right. I'll kick off there. They started off life as fairly benign things, literally going back 25 years or more, and the goal of them as a piece of code that sits on your device was really to try and help a consumer have a better experience when they landed on a website, because the cookie would help identify what type of device it was, what browser, or perhaps where somebody was when they left a website.

So they started to collect information to enable that consumer to have a better experience on a website, and I think what became evident, whether that's agencies or brands or publishers realized that they could start understanding not just perhaps what a device was, but actually, the type of content that the device was consuming or the different places that it visited.



And obviously as you create that view of information or behaviours, you get a profile. So essentially what was being created was, how is this consumer behaving across the internet? What are they interested in? What are they reading? What ads are they interacting in? And essentially that vehicle collected, or has continued to collect information on, browsing behaviour literally for 25 years.

But helping the internet work more effectively, certainly that's what advertisers would say. Fast forward to maybe, let's say, five years ago, maybe a little bit more, by collecting so much information on users behaviours, and without consumers really knowing how cookies work, as you said, right, even people in the industry don't really know how they work.

You had regulators, you had privacy groups certainly saying, this is not right, we need to educate consumers more effectively, and really perhaps constrain how cookies, third-party cookies in particular, operate. So what you saw is some browsers just simply saying they, we're not having cookies work in our environment, so Firefox and Safari and the like.

And then much more recently, Google, certainly in the UK, pushed by a regulator through the CMA, saying that they would essentially also stop, cookies, third party cookies working on the Chrome browser. Much more recently, literally in the last few weeks, Google kind of said, well, we're not going to do that anymore.

We're not just going to switch them off. What we're going to do is give consumers choice as to how they enable third party cookies to work on their machines or not. I think what we'll really see is, as we've seen in other environments, actually cookies will still go. So deprecation is a word that you hear a lot of, and really that's just effectively third party cookies not working.

I think we're still going to see a scenario where third party cookies will disappear because consumers will not opt into their use. Browsers won't



promote their ability to be used. So it's probably not, if it is still a case of when third party cookies will depart the scene. So. Just for clarity on that, the, the, it's not all cookies, it is, there's different types, and it is these third party cookies that are the particular issue.

That's right. The other cookies you'll hear about are first party cookies, and those are something that if a consumer goes to a specific owned website, a brand, then a first party cookie is something absolutely that a consumer, it still helps you understand a brand, understand what type of device you're on, what browser you're on, and it will retain information about your logins, for instance, to make it easier for you to engage with that particular site.

The data collected through it. that process, that first party cookie process isn't shared with anywhere else, anybody else. And really there aren't the challenges or concerns with first party cookies that you have with third party cookies. So they are different, but certainly it's third party cookies that are under threat.

Danny Yeah, if I can just expand a little on what Colin was saying there, particularly when it comes to the role and Usefulness of third party cookies in today's ecosystem. If we put aside the privacy element for now, where there are concerns of the constant tracking of behaviors online, there are various factors to consider when relying on third party cookies for things like insight or targeting or measurement, and just to touch on a few of those.

So first they run 50 percent of the open web is, is already cookieless, right? Depending on what market you're in. Colin mentioned earlier about Safari and Firefox and how they. Abandoned them some time ago and edges on that path and Google Chrome are doing what we've already discussed. When you whittle down the Chrome users who are actually addressable after taking into account cookie match rates, which is about 40 to 60%, plus already those people who block them and those who



regularly clear their cache, it really is a smaller amount of addressable audiences by cookies than, than many think.

And by addressable, I mean audiences who can be identified and targeted with, with relevant media. The last thing to consider is, is it the only really add value on your typical browsers? So we are generally used, on mobile or CTV, which is connected TV, which is growing rapidly in the market right now, or audio channels, so podcasts such as this one.

So our position is, is that the industry needs to quickly, quickly, quickly, move away from any reliance on third party cookies for the reasons discussed for us. Privacy and transparency remains at the heart of what we do. And there are fantastic innovative solutions in the market that far surpass the capabilities of cookies.

It's just about adopting what's right for, for your business. And just to close on this, some IAB research from earlier this year showed that. The majority of businesses, it was a whopping 76 percent acknowledged their reliance on third party cookies, which is a worrying statistic today.

Daniel Yes. I mean, what's, what's the impact then? So from the perspective of what the biggest challenges for advertisers and for publishers, for generally, so what, what, what are, what are they going to do about this?

Danny Yeah, so look, it's an interesting question and we've talked about the flaws of cookies, right, but also how they've at the same time supported the industry in various ways, arguably fueled the growth of online content. So if we looked at three types of cookies, of groups affected, advertisers, publishers, and consumers.

So for advertisers, third party cookies held valuable data for, for businesses, regarding users, browsing behaviors and interests, which means they could tailor their targeting strategies effectively, but in a



clickless environment, this, this visibility diminishes. So making it increasingly then difficult to, to reach desired audiences.

And that's just the prospects in your audiences. So. Retargeting, which is often a marketer's favorite tool, depends on cookies to track across the open web. And if we look at how we measure campaign performance, this is also affected as advertisers depend on cookies to track various user activities beyond that sort of simple see and add, then, then buy scenario.

For example, looking at referral sources or cross channel interactions. So the lack of, of detailed data does complicate, complicate things. We're measuring campaigns and I guess murkies the waters when it comes to understanding the, the user journey and for publishers, they rely on targeted advertising for.

a significant portion of their revenue. So third party cookies track users across various websites that have served targeted advertisements for some time, which, which drives demand for their, those publishers advertising placements. So they need to find [00:12:00] alternatives or they'll see a drop in, in demand and, and thus revenue.

We work closely with the AOP who are the Association for Online publishers. And there's a lot of interesting work being done on publishers, diversifying away from ads, so increasing what they call reader revenues, which could be a number of things depending on the publisher. And lastly, for consumers, they'll notice changes in their online experience.

So personalization may reduce or at least in the short term, with fewer relevant ads and content. So while it does enhance privacy, those users may become frustrated by, by a lack of, or, or less tailored, and more unpredictable digital experiences. So as I mentioned, they have served a purpose. And, and if publishers don't find alternatives to support.



audience target in they might have to turn to other commercial models such as subscription paywalls Which starts to then make content lesser available or at least more expensive.

Daniel So, so based on that, before we get onto some of the solutions, where's the regulation going? Is there any kind of, is there any regulation to worry about and kind of think about at the same time?

Colin It is a complex space and there is no definitive regulatory picture, I'd say from a third party perspective. So, so, so let me explain that. First of all, We're in an increasingly global world. Certainly, clearly, we, Chrome, as an example, all browsers are global browsers. So therefore, how the US might see things versus Europe, versus the UK, let alone every other country, there certainly is no global standard coming from regulators.

All of that said, if you think about what I touched on at the start, that it was the CMA, the Competitions and Market Authority in the UK, that was very much. directing or driving change within Google and Chrome, that would point to the fact that the regulators have an opinion on this kind of stuff.

I'd say the ICO has been relatively quiet recently, but that doesn't mean there won't be in the future. So I don't think we can think that there will be no regular engagement on the topic. Having that as a consistent global view, however, definitely won't, I think that's likely to happen. There is a balance that the regulators need to strike.

And if we think again about UK government and UK You know, new UK government and policy, they very much want the digital economy to be a driver of growth for the UK. And we all know that we need growth. So trying to strike that balance between transparency, data privacy, but also driving growth is a challenge that regulators will be facing into.

But what I would say is, it's not just driven by regulators. And as we have said, the tech owners themselves, whether Firefox, Safari, we've already said, and with Google's slight change in direction, I think that market's just



moving in that direction, right? That we, we have to find, and there are alternatives to third party cookies that will still do the job for consumers, for advertisers, for publishers, rather than just sit and wait for a regulatory direction, that if it comes might not necessarily be complete in any event.

Daniel So based on that, what does the world look like today? What are people testing? What they're adopting? What are the kind of solutions that might fix this lack of third party cookies?

Danny Yeah, so look at the industry has been talking about the evolution of online advertising because of this decline in, in third party cookies for, for a while, right? And the great thing about capitalism is, is that drive to innovate. And there really has been an industry wide effort to build new future proof solutions.

And it's, and it's a very positive step and not only for privacy, but for an advertising ecosystem, which can be built for purpose, both now and to, to set us up for the future. Obviously with any new approaches, there are pros and cons. So let me run through five approaches now and give you a bit of an overview.

So the first would be first party data, right? It's accurate, it's mostly consented, it's rich consumer behavior and preferences. And there's been a huge drive for many years to collect more of this asset. And, but there are often challenges with scale, particularly so for certain sectors of the market. So let's say FMCG who don't own that consumer relationship.

So. Any first party data strategy needs to consider ways to to complement depending on what you're using that data for So for example, if you want to reach more of the same audience you currently have in your first party data set, you might want to use an audience data provider to, to model out these smaller seed audiences into larger groups.

The second is alternative identifiers. So these are, I guess, a more privacy centric approach to cookies. So almost there to emulate the cookie by



offering that cross channel identification and compatibility. So these generally rest in two camps. So firstly, deterministic. So this is email based or, or HEMS, which stands for hashed email, which is essentially a way to encrypt email addresses.

This requires authentication or registration. Essentially that's you agreeing to share your email. The second is probabilistic, which doesn't rely on this authentication and uses a range of signals such as IP to probabilistically determine who a user is. This latter offers more scale obviously because less people share email, at least without a value exchange.

The third are ID graphs. Another very innovative solution and these are built to create connections between different identifiers such as IP addresses or makes which are mobile add IDs on your phones or there are various other IDs out there And within these graphs, the number of IDs is It's often dependent on whether it's built internally or whether it's by a specialist external partner.

The connections can enable a, a variety of cookieless capabilities. So, let's look at targeting. It can do that by bridging a connection between an offline ID such as an address or an email into an ID that can be used to target a platform such as a CTV, so connected TV. Or mobile. So it's a great solution, but it can be complex to build, particularly internally, and then it can be limited by the IDs that you, that you have sight on.

So externally, there are far more, they are far more effective. Given that scale and the variety of IDs generally house, but it is a new solution, particularly here in the UK and needs to be picked apart in terms of its compliancy and ability to, to, to stand the test of time, the focus data clean rooms, they've been around for a while now as secure environments that facilitate data collaboration among parties.

So this, this collaboration can amplify the. The access that brands have to enrich data, which helps, you know, to alleviate the scale problem, it can be used for insight purposes and activation into, to various different



channels but they've actually got multiple use purposes and you could spend an entire podcast just on this very subject.

Then there's contextual advertising. So it's a type of advertising that targets users based on the content of the websites they are currently visiting. So instead of relying on the user's browser history. Or previous behavior contextual advertising uses algorithms and analyzes the key words and themes and content of a webpage that's being viewed to, to display relevant ads.

Often a challenge is, is that the user may not be the advertiser's intended audience, and there is often a scale issue, but nevertheless, it's a, it's a good alternative. And the last one to mention is cohorting. So this has affected grouping individuals by their common interests and preferences.

So. not tracking individuals, but grouping them. For instance, those who have bought a type of holiday can be used to, to upsell insurance. So yeah, that's, that's the rundown of the six.

Daniel Yeah, I mean, what we'll do in the show notes, because Google have changed direction on this a number of times now, and have put solutions in place and changed it, we'll put a link into the show notes. So target internet dot com forward that podcast, all the things we've spoken about, we'll put a link through to some further references there and Google's current approach, by the time this is published, would have probably changed my opinion anyway, so we'll have to wait and see. So if cookies are essentially collecting information about users, their behaviors and some of that won't exist.

Where are we going to know what people like or they're interested in come from? You know, is it just a mix of these different solutions? Where is that information really coming from?



Colin Yeah, I think, well, Danny certainly went through a number of different approaches and, and first of all, they're not mutually exclusive.

So it's a case of trying to work out how you can use those in combination that's right for your business. But just from a pure data, knowledge or insight perspective, it's not that there'll be a vacuum. So organizations like Experian have essentially been creating views, or certainly we've been creating views of consumers, their behavior, their lifestyles, their demographics.

preferences for for over 30 years. So there's a really quite established process and data sets that provide the same sort of view, that would allow an advertiser to target effectively or a publisher to, sell audiences, effectively. So it's definitely not that there's a complete vacuum far from it.

And I think what I'd say is that thankfully the kind of standards and certainty and clarity around how that type of data. It can be used as a type of information that, Experian has for advertisers and publishers. We're pretty clear on what can be done. The fact that, how it is compliant with GDPR, how things like legitimate interest are okay to rely upon, good standards of transparency.

Consumers and their ability to exercise choice do exist. So I would say one of the key things would be that those who think that they the third party cookie going away is going to create a knowledge gap for them. It can be filled and certain organizations like ourselves are well placed to do that.

Daniel So I guess if we kind of final point to think about before we get into what you guys did a bit more detail just to make people understand that.

But what do we really need to consider to future proof our strategies? What are the things people should be thinking about?



Coolin First, even though I said earlier that regulators have at times been quiet on this point, it doesn't mean that they will be. So really do look through a privacy lens on whatever it is that you're looking to do.

If something doesn't feel right, then it doesn't mean that, you know, that probably isn't there if we shouldn't do it. So have the consumer at the front of your mind and think about privacy in everything that you do. That doesn't mean that you're hamstrung. That doesn't mean that you can't do things. As I just said, there are data sets, scales data assets that's out there that allows you to still target and monetize inventory effectively.

But do be ready for change. As I say, it's inevitable. It's coming at the speed of change. I think cookies will, will wither on the vine, if you like, as opposed to just simply fall off a cliff. But it is coming. So both be prepared for those cookies going. But also, as Danny touched on, the change that's happening within the different solutions that are available.

to you. Whatever those solutions are, think about scale. So there's every chance that somebody will tell you a great story about the granularity and the accuracy of data. But if it isn't scalable, so just have that sense of what are the, what is the true opportunity for me to either target effectively or monetize an audience effectively, because if it's not scaled, then it won't work.

Definitely collaborate. Again, we've talked about, lots of different solutions out there and different providers. I think you need to be careful that you don't, you know, you can spend a lot of time talking to lots of different people, but the reality is, there probably won't be one size fits all, one single solution.

So do be prepared to collaborate. And places like the IAB, who's doing what and what different solutions look like. And then the great mantra of marketing and direct marketing for years. This is test experiment, work



through, set aside some budget to understand what it is, the different options are tested and see what works for you.

So a lot of that, to be honest, is common sense, but I guess it doesn't do any harm to remind people of that either.

Daniel Yeah, absolutely. I think that's that's been a brilliant kind of state of the nation for us, where things are, what the current solutions are and what we might do about it. What we'll do is put a load more reading.

We'll link through to those IAB pages and so on in the show notes as well. So target internet dot com forward slash podcast. So just to finish this up, what we're experiencing up to now. In this space and and kind of more broadly for marketers as well,

Colin I said earlier, we've been in this for about 30 years.

And at the heart of what we do is help organizations understand more about customers. What does that mean? It's their behaviors. It's their preferences. It's what's going to resonate in terms of a channel or a message. So we've done that for many years. For much of that time, it's been in a, in an offline environment, if you like, from anything from direct mail through to CRM strategies, even to location based strategies.

But the reality is that data, we call it an asset, but in reality, it's that insight that we have is very much pivoted towards an online and digital world now. And maybe I'll let Danny just talk about how far we've traveled literally in the last year, 18 months.

Danny Yes, thanks, Colin. So, look, we discussed earlier some of the solutions in the market to solve for the loss of third party cookies and to fill the gaps that have long existed, even with their presence. One of those was an ID graph and Experian recently launched our own solution, which we refer to as our linkage capability, ConsumerSync.



So, within ConsumerSync, we can connect a wide range of both offline identifiers, such as email or address. And online identifiers, such as the ones mentioned earlier, like IP and the alternative IDs that we talked through in detail. And we connect those within the same household at significant scale to then effectively deliver this holistic view of customers.

And power a variety of capabilities that work towards, or work towards a, an omni channel marketing experience. So, and I think one of the unique features of the solution is that it can, it can enrich these identifiers with what has long been an asset of Experian Marketing Service. So it's our data and insight.

So there's rich demographic, behavioral, and attitudinal insight that currently covers, 52 million adults in, in, in the UK. So that's really this offline online linkage paired with insight makes it unique across a variety of use cases. So to give you a few examples, let's say a brand wanted to target, It's customers in digital channels.

This customer data is often held with offline IDs, such as email. ConsumerSync can associate these IDs to households, then attach IDs that can be used to target in a chosen digital channel, such as Connected TV or CTV. So, hence this is also a curricular way of doing so. And because we have such a wealth of insight, we can model, also model out these first party data sets.

Set the brand. Wanted to reach, you know more of the same so lookalikes effectively. So let's take a publisher example So they're often faced with a lot of unknown traffic on the websites, right? So we'd logged in traffic often less than 5%. So we can take IP addresses, match them to households, then return rich audience insight, which then allows them to offer more values to advertisers.

So more insights or even more audience segments they could sell, against their inventory. But as mentioned, there are. A variety of use cases and we think that the common household has Seven to ten identifiers. So, you



know laptops and mobiles and tvs and ipads, etc Bringing those together holds great value, you know, particularly if we looked at measurement use cases like attribution.

So we, you know, we touched on the importance of future proofing strategies. And so we built this solution to be flexible, to take in IDs in and out as, and when the market shifts. So, to be agnostic, from a privacy perspective, it's built with the strictest levels of compliance one would expect from experience.

So look, all in all, it's a very exciting time here. We've now built. And can deliver a full end to end marketing solution. So from onboarding of data to consumer insight, to audience planning, to omni channel activation and then campaign measurement.

Daniel So where can people go to find out more? What's the best place to go online to find out more stuff?

Danny So, as you mentioned at the start of the conversation, Daniel, look, Experian is, is well known to consumers for our, for our credit services, and in fact, there are several business units, as you'd imagine, given it's a very large organization. So I would recommend a simple Google search of Experian marketing services, which will get you where you want to be, which will also leave in, in the show notes.

And that contains everything from the types of data and the insight that you can leverage to the linkage. capabilities discussed and how it can apply to, to certain industries. Of course, also, you can reach out to us directly. I will leave an email, which can be popped in the show notes as well. So, yep. And look, thank you for, thank you for having us on.

Daniel Fantastic. All right. Well, we'll put all of those links into the show notes. I'll put some of that supporting information and how people can get in contact directly as well. So last thing then is thank you so much. I think that's a



really good insight to where we are with things. There's something that is confusing the heck out of people generally at the moment.

So Colin and Danny, thank you so much for your insights, and it's been a pleasure having you on the Digital Marketing Podcast.

Danny No problem at all. It's been a pleasure being here and well, keep up the good work on the podcast.