

# 7 Ways to Prepare for a Cookieless World



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# Introduction

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By now you've heard the news: third-party cookies will soon be a thing of the past.

That means now is the time to move toward first-party cookies – a more reliable and accurate data source. Companies that begin collecting and using first-party data now will have a competitive advantage over those who wait for this looming deadline to arrive.

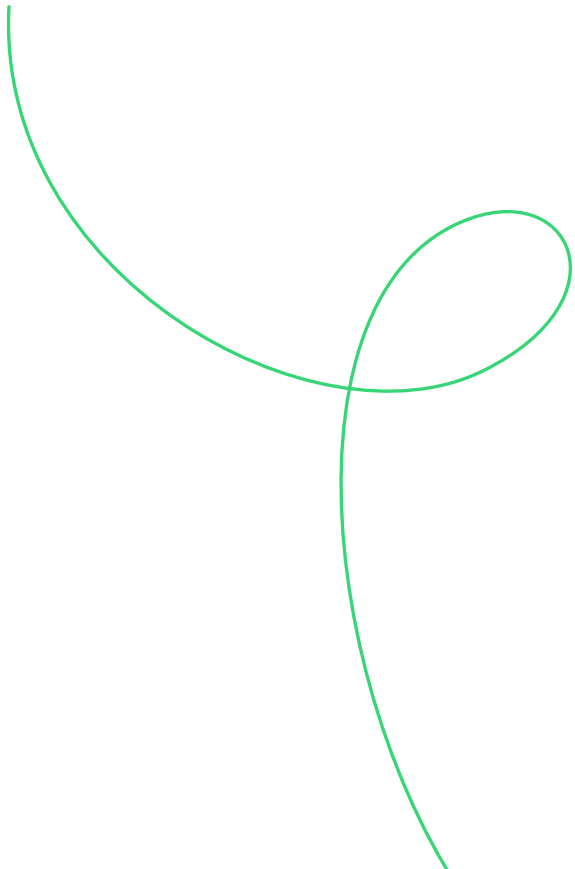
Given [Apple's changes to Identifier for Advertisers](#) and Google's plans to [remove third-party cookies](#) by the end of 2024, marketers will soon face a virtually cookieless future. Initially, both announcements threw many businesses for a loop, as cookies have long been the go-to method for harvesting data in digital advertising, tracking user activity and engagement, and informing future advertising strategies.

While it's true that this transition presents a challenge for businesses that rely on digital advertising and personalized experiences to drive growth and engagement, there are several strategies that companies can use to thrive in a post-cookie world.



In this guide, we discuss 7 ways to prepare for a cookieless world – ranging from investing in first-party data, keeping a single view of the customer, exploring new identity solutions, and rethinking your attribution model.

By staying open to new methodologies, including the third-party cookie alternatives explored ahead, you may be surprised and even delighted to learn about more innovative and personalized tracking techniques as a result of this change.



# Brief overview of data and the breakdown of third-party cookies

**First-party data:** Generally seen as the most valuable (and safest to collect!) data for understanding your customer's experience, this data is collected directly by your company such as an email address to subscribe to a business newsletter.

**Second-party data:** This is first-party data collected by another company and shared with, or sold to, a non-competitive partner. For example, partnering with a company to create an e-book and then sharing email lists for distribution. It's generally considered less secure and of lesser quality because it comes from a partner.

**Third-party data:** This is data that's collected by a data-collection company and then shared with anyone who wants to purchase it. Data-collection companies typically don't verify or even guarantee its accuracy. This type of data (such as third-party cookies) is the hardest to prove it was collected ethically and can be used by anyone, making it the least valuable of the three.

## The breakdown of third-party cookies

### Apple introduces ITP/Safari limits third-party trackers:

Safari removes 24hr cookie access window and Apple begins Intelligent Tracking Prevention to identify and block tracking cookies.

2017

2018/2019

### GDPR (General Data Protection Regulation) goes into effect/Firefox and Safari strip cookies:

Apple's ITP via Safari and Firefox's ETP (Enhanced Tracking Protection) now block third-party cookies from both platforms.

### Google joins in:

Google Chrome announces changes to third-party cookie classification with plans to block them by 2022.

2020

2021

### Apple's new update:

Apple releases iOS 14.5 which makes IDFA (Identifier for Advertising) a default opt-out.

### Google plans to opt out:

Google has announced 2024 is the year it will completely phase out cookies from its Chrome platform.

2024



# 7 ways to prepare for a cookieless world

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## 1. Invest in first-party data

As consumers continue to demand relevant and personal experiences, first-party data provides the best opportunity to deliver the most accurate consumer intelligence, allowing businesses to provide more relevant and timely content. Seventy-eight percent of businesses consider first-party data to be the most valuable source of data for personalization, according to Twilio Segment's 2023 State of Personalization Report.

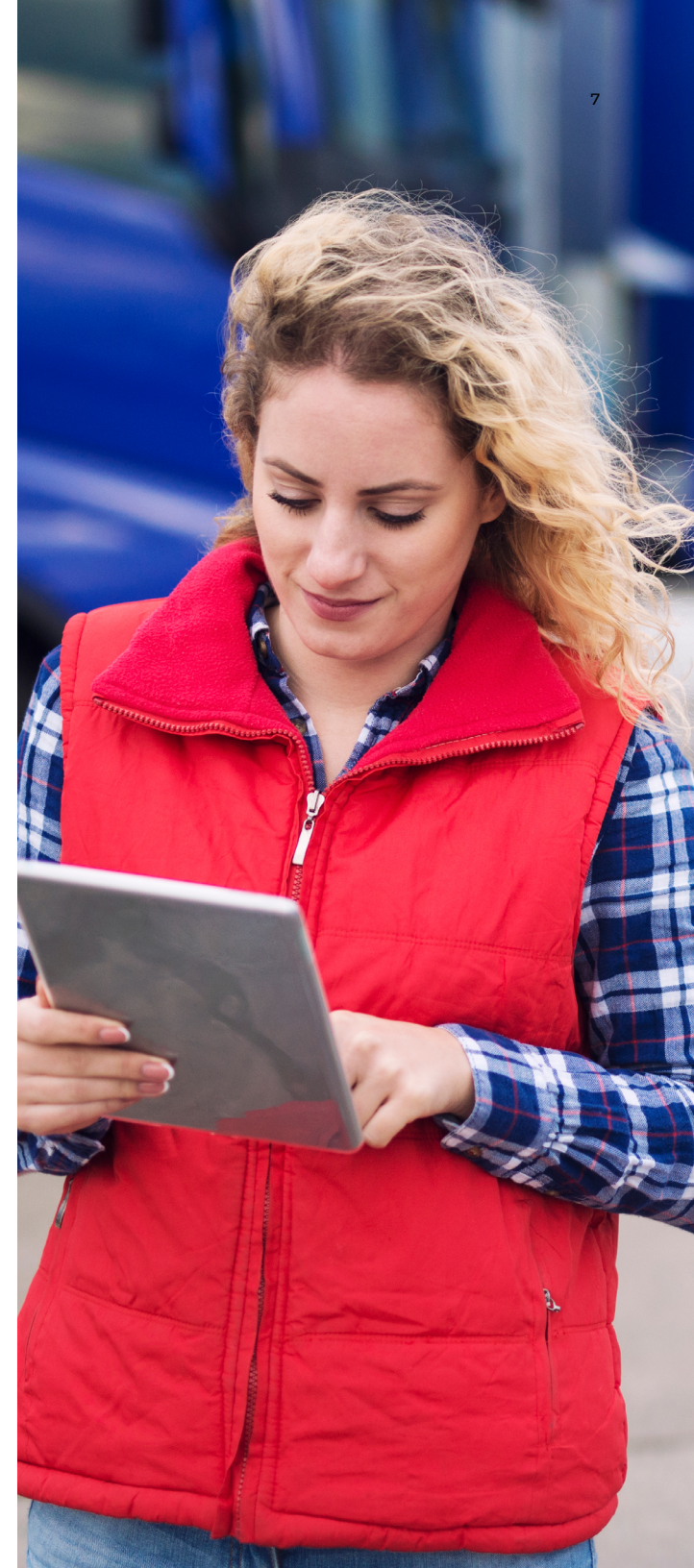
First-party data is collected directly from your customers, such as website behavior, purchase history, and email engagement. Collecting first-party data empowers businesses to provide relevant and personal customer experiences. By investing in first-party data collection and management, marketers can continue to deliver personalized experiences and targeted advertising without relying on third-party cookies.

Based on the data you have about consumers, you can use strategic touchpoints to create unique experiences customized to their specific interests, preferences, locations, and purchases. For example, if a customer leaves two pairs of pants in their shopping cart at your online store, you could send a targeted

advertisement about pants, a coupon code to prompt them to complete their purchase, or a reminder not to let the deal pass them by.

But in order to start collecting first-party user data across the many channels you use, your business needs a customer engagement solution. Twilio Engage collects first-party data from many different sources and consolidates them into one platform, giving businesses a single (unified) view of all their customers in real time.

From there, your business can send this data to downstream channels – like email, SMS, or digital advertising platforms – to provide unified, personalized experiences for each and every customer. By automating these actions, teams can then spend more time building personalized marketing and advertising campaigns that boost engagement and drive conversions.





## 2. Keep a single view of the customer

An important step in creating a personalized customer experience is to fully understand your customers. That's why a single view of the customer is so crucial.

Customers use a variety of devices and communication channels, which means every person has multiple cookies attached to their online history (generally, you can expect one cookie per user per browser per device). By using advertising tools and technologies to merge these profiles into a single customer view, businesses can better understand which ads and interactions are most effective in driving a desired action.

All of that rich customer data you collect through your customers' interactions with your business, such as your website or app, is called first-party data. And it's the key to creating standout personalized experiences.

*“If your customers are giving you all sorts of information by what they click on, what they don't click on, what they scroll through, what they scroll past, what they buy, what they return, etc., and you're not using that information to make smarter decisions for customers, then you're at a competitive disadvantage.”*

Jeff Lawson, CEO of Twilio







The best tools and measurement solutions marketers can invest in for first-party data are centralized and organized, such as a Customer Data Platform (CDP) like [Twilio Segment](#) for gathering first-party data. In keeping a single view of the customer, businesses are better able to measure the effectiveness of campaigns and data-driven strategies.

It's vital to collect all of that data to fully understand who your customers are and what they want from you. It then allows you to create customer profiles and personalize your marketing across their journeys. A few examples of this could include:

- Delivering a personalized dashboard when they log onto your website, showing customers items they've already viewed or similar items that might interest them
- Adding a free product to their order that you know they'll like receiving
- Sending an email or SMS to let them know the item they recently viewed is on sale (if they've opted in for email or SMS, of course!)



### 3. Consider lookalike audiences

Lookalike audiences are a great way to harness first-party data that many large advertising platforms such as Facebook, Google, and Twitter have already collected as a tool to target audiences that are “similar” to your existing customers.

Collecting first-party data is the first step (purchase history, website activity, mobile app data, email engagement, etc.), but getting the owners of that data to become customers is another matter. As consumers bounce between touchpoints, companies need to be able to react across channels in real time.

By integrating all your data sources into a centralized data location, such as a CDP, you’re better able to analyze an individual’s actions and engage them. Down the line, this provides an opportunity for personalized marketing that turns consumers into customers.

One of the ways to do this is through lookalike audience marketing. You know what your high-value customers look like and how they act. Turning that first-party data into targeted campaigns to convert other like-individuals into high-value customers is now possible.

By using first-party data to craft highly targeted ads to directly target consumers that are displaying intent and affinity to become high-value customers, you not only generate higher lifetime values, but save money by reducing unnecessary ad spend.

When collecting first-party data using [Twilio Engage](#), it *automagically* sends a coded list of your existing customer phone numbers or email addresses to an ad platform of your choice. (Watch our on-demand webinar to [find out how to automagically identify high-intent leads](#).) Twilio Engage then “matches” and identifies the customers shared between the company and the ad database, and combines the matched users and finds similar customers to target your ads using its own first-party data.

This is a relatively inexpensive and trustworthy way to reach new valuable customers using the high-quality, first-party data of ad platforms like Facebook and Google. You can feel confident keeping your customer data safe while also extending your reach using their advanced models to identify similar users to potentially convert on your site.





*“Based on our research, we know that omnichannel customers are our most valuable customers. Because of this, we build Twilio Engage Audiences of our omnichannel customers and top customers in lifetime revenue, to use as the basis for Lookalike Audiences in Facebook Ads.”*

Maxime Lagresle, eCommerce Analytics Manager at Veronica Beard

Twilio Segment customer Veronica Beard did just that, using lookalike audiences via Twilio Engage, and saw an 11% increase in return on ad spend (ROAS) and a 20% decrease in customer acquisition cost by doing so.

**[Read their full story >](#)**





## 4. Lean on server-side tracking

When it comes to tracking user data, there are two methods you can use: client-side and server-side. Here's a brief overview of what they are and how they differ:

**Client-side tracking:** In this tracking method, the user's browser (or the "client") sends their information to a server. This gives your business easy access to user information like cookies, URL parameters, user agent, and IP address. Your business can add a code snippet, or tag, to your website allowing this information to flow to third-party vendors.

**Server-side tracking:** This method sends user data directly to your business's web server, before passing it along to other destinations (like your marketing automation platform, analytics tool, etc.). It's generally seen as a more reliable, secure way to track user events as it doesn't depend as heavily on web browsers and doesn't share data with third-party vendors. Twilio Engage leverages this type of tracking.

While many businesses use client-side tracking because it's easy and cost-effective to implement, this method relies heavily on cookies and tracking pixels that can

slow down your page loading times. Plus, this information isn't always accurate as ad blockers reduce its effectiveness. By contrast, server-side tracking doesn't rely on cookies, gives your business better data security, and allows you to depend less on browsers.

With third-party cookies phasing out by the end of 2024, your business may want to make the switch to server-side now to ensure your customer information remains reliable and accurate. Just note that setting up server-side tracking can require technical expertise, so you might need to tap into engineering resources and give your business time to get this tracking method up and running. But rest assured, you can manage and enrich first-party data, create visitor profiles, and manage audiences with [Segment's server-side products](#).



## 5. Explore new identity solutions

New identity solutions have emerged in response to the end of third-party cookies, such as [Trade Desk's Unified ID 2.0](#), which enables users to share their data with trusted partners in a privacy-compliant way, and [Google's Federated Learning of Cohorts \(FLoC\)](#), part of its Privacy Sandbox, which has rendered the third-party cookie obsolete.

Marketers can explore these two new solutions to continue to deliver personalized experiences and advertising. Let's take a closer look at each.

### **Unified ID 2.0**

Trade Desk's Unified ID 2.0 eliminates the need for third-party cookies. Instead, UID 2.0 creates a unique identifier for each user based on a hashed and encrypted email address. The UID 2.0 contains zero information about who the user is in the real world.

It requires customers to opt in, which provides greater transparency and a more personalized experience. If the website a user visits supports Unified ID 2.0, it can then serve you up appropriate content based on your anonymized identity.

### **Federated Learning of Cohorts (FLoC)**

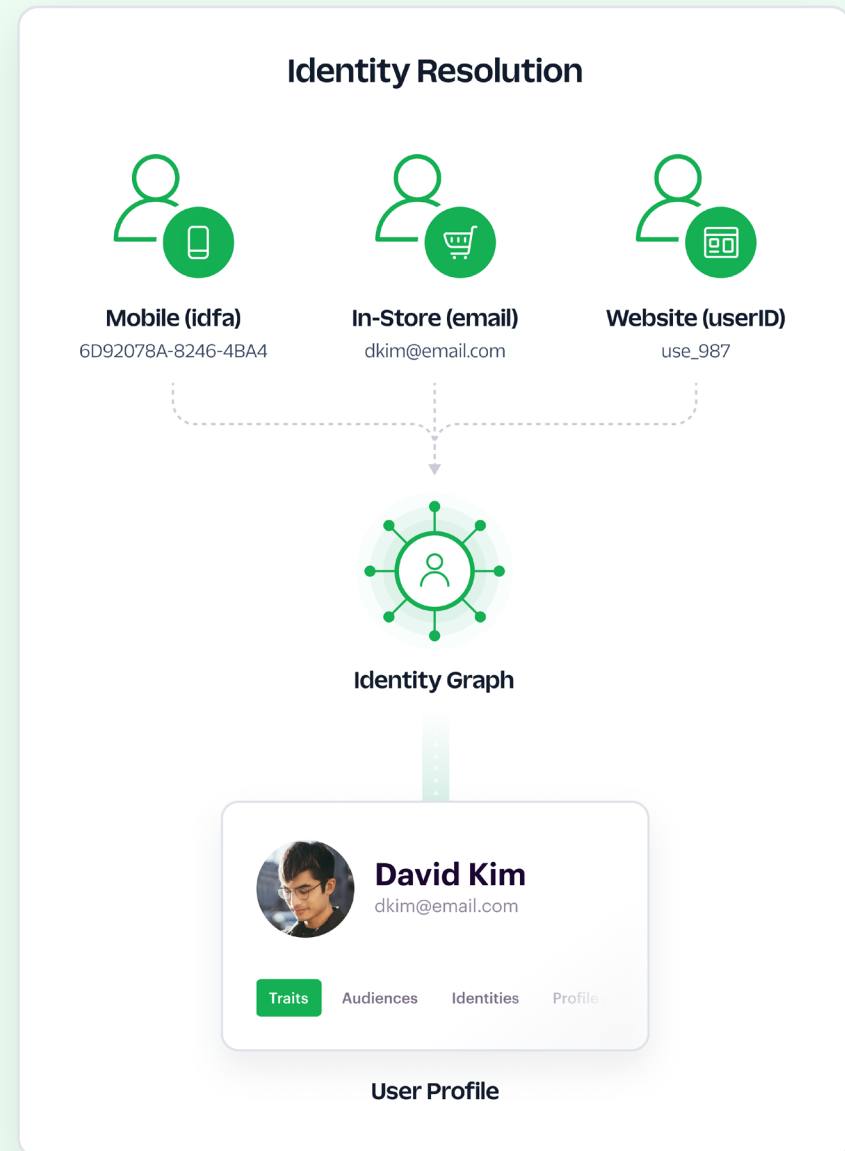
FLoC groups individual users with similar browsing patterns into larger groups (also called cohorts) with unique cohort IDs. It's these cohort IDs, and not personal information from each user, that Google uses to determine which ads to show to a group of cohorts, so the user's personal information is kept private.

## The next step: Identity Resolution

In addition to new ways of collecting customer data, identity resolution is emerging as a crucial component for companies that collect information from a multitude of sources.

Identity resolution allows you to understand a user's interaction across web, mobile, server, and third-party partner touchpoints in real time, using an online and offline ID graph with support for cookie IDs, device IDs, emails, and custom external IDs.

Employing a powerful identity resolution solution enables a real-time data foundation that allows for personalization and maximizing ad revenue. With one source of truth, you can provide stronger marketing campaigns and increase marketing efficiency while playing by the rules. Our Identity Resolution guide explains in greater detail how businesses can stitch customer profiles together to create an even more complete view of the customer.



Source: [Segment.com](https://segment.com)



## 6. Rethink your attribution model

Tracking the customer journey has only become more complicated with time, as new technologies, devices, and channels emerge. In an attempt to understand which channels influence users to convert, many businesses turned from a first- or last-click attribution to multi-touch attribution. Unfortunately, the longevity of this now common attribution model is also jeopardized by the degradation of third-party cookies.

A multi-touch attribution is a marketing effectiveness measurement technique that takes all of the touchpoints on the consumer journey into consideration and assigns fractional credit to each so that a marketer can see how much influence each channel has on a sale.

Without cookies, multi-touch attribution is less reliable and can't give marketers an accurate understanding of which customer touchpoints are most effective. Since many businesses use this model to measure success, track ROI, and inform future investments, they will need to find new ways to track the effectiveness of their campaigns.







### **Test and optimize new channels**

Marketers may need to explore new advertising channels, such as social media advertising, influencer marketing, or podcast advertising. Marketers can test and optimize these new channels to understand which ones deliver the best results for their campaigns.

A trend that many businesses are investing more heavily in is owned media channels like email, SMS, push notifications, etc. These channels have generally relatively low costs, improved targeting capabilities, and greater access to data.

Twilio Engage makes it easy for brands to leverage first-party data to serve targeted, personalized communications to their customers using these channels. The growth platform also comes with best-in-class identity resolution features, which afford each customer a unique ID that identifies customers across channels (known and anonymous). This facilitates a more accurate understanding of customer behavior across channels, and thus, attribution.



## 7. Focus on building trust through transparency

Customer data is what fuels the teams and technologies responsible for your customer experience, but for years there was little incentive for companies to prioritize customer data as an asset to be taken care of and safeguarded. Now, consumers and regulators are pushing new data privacy rights. These rights, like the ability to know what data companies collect, to delete that data, and to compel legal action when it's misused, are now urging every company to pay attention to the data.

As businesses collect and analyze data to create personalized customer experiences, they risk overstepping boundaries and potentially infringing on individual privacy rights. Consumers may feel uncomfortable with the extent to which businesses track and use their data, leading to mistrust and a reluctance to engage with personalized experiences.

Marketers that prioritize transparency, consent, and data security are more likely to build trust with their audiences. While only 51% of consumers trust brands to keep their personal data secure and use it responsibly, according to The State of Personalization Report, marketers can create long-term relationships not reliant on third-party cookies by focusing on building trust and delivering value to their customers.







### **Adhere to privacy and compliance regulations**

To address privacy and compliance concerns, businesses need to be transparent about how they collect, store, and use personal data, and obtain explicit consent from customers before using their data for personalization purposes. Further, businesses must comply with data protection laws and regulations such as the General Data Protection Regulation (GDPR) in the European Union and the California Consumer Privacy Act (CCPA), and implement robust data security measures to protect against breaches.

With the deprecation of third-party cookies, rise of privacy-focused browsers, and increased regulations, businesses are left uncertain how they can personalize experiences to uplevel customer engagement, with a privacy-first approach.

This [on-demand webinar](#) demonstrates how Twilio Segment's leading Customer Data Platform (CDP), with EU data residency, enables compliant and consented data use, so you can build a complete view of your customers and transform customer engagement.



When SPRING – a subsidiary of [Axel Springer](#), Europe’s largest publisher – was faced with continuing their web advertising in a post-GDPR world, they needed a way to personalize their ads while remaining compliant with regulations. Faced with ad-blocking rates as high as 30% within the EU, SPRING adopted a first-party data approach to their ads by employing a combination of enterprise tag management and a CDP.

Even though SPRING historically operated with third-party data, they were able to transform their digital strategy by using first-party visitor data in Segment Audiences to enrich their desired DSP segments and create personalized, dynamic advertising campaigns. This not only improved conversions, but switching to a first-party data strategy helped align teams across the organization who were now relying on a unified set of customer data.

### **Govern data use according to customer consent**

One of the inherent challenges of third-party data is managing the complexity of consent and various overlapping regulations. The same goes for first-party data, though you’ve cut out the middle man (which is very helpful). When consent is captured on your website (via those ever-present banners), the opt-ins and opt-outs must be tied to a profile and

acted upon. Because there are a variety of things to opt-in or opt-out of, managing what data needs to be shut down and what data can continue to be collected gets tricky.

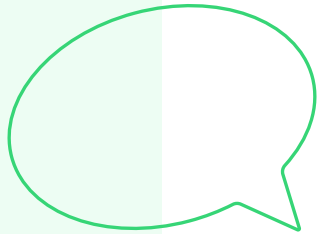
With a CDP linking consent data to the customer profile (which is tied to all of your data sources) the labor involved with complying with regulatory privacy legislation is drastically reduced, making data auditing and traceability scalable.

Let’s say that a particular customer has said that they only want to opt-out of your personalization cookies and data collection. The customer’s data will not be added to on-site (personalization/display), yet it could still be added to social/email. Without a single point of data control through the CDP, companies run the risk of acting against the customer’s wishes because the preferences have yet to be disseminated.



# Conclusion: Taking action

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As the digital landscape evolves and the end of third-party cookies becomes imminent, businesses must prepare for a cookieless future to ensure continued success and relevance. While the transition may present challenges, it also offers opportunities for innovation and improved customer experiences. By implementing the strategies outlined in this guide, businesses can navigate this paradigm shift more effectively.

Businesses must adapt to remain competitive. By capitalizing on first-party data, leveraging alternative tracking technologies, prioritizing transparency, and welcoming emerging technologies, companies can not only survive but thrive.

The cookieless future presents an opportunity to redefine the way businesses engage with customers, focusing on privacy, personalization, and trust. Those who embrace this change and proactively prepare will be well-positioned to succeed in this new era of digital advertising.



# About Twilio Segment

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Twilio Segment is the leading CDP with more than 450 pre-built integrations to different data sources and destinations. It provides a complete solution that eliminates the need for manual data cleansing, complex data engineering processes, and analytics reporting functions.

By automating all of the backend customer data operations, Twilio Segment puts companies in a position to get the most out of their first-party data and retain customers at a higher rate.

As consumer sentiment, industry trends, and regulatory enforcement push companies away from depending on third-party data, the need for an alternative source of customer data cannot be understated. First-party data is the solution, bringing a competitive advantage as it fills the gaps where third-party data falls short: accuracy, relevance, and building customer trust.

**Schedule a demo to learn how to get the most out of your customer data with Twilio Segment.**



# Recommended reading

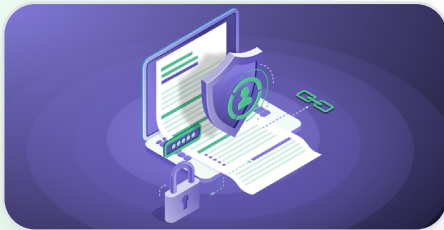
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## Digital Advertising in a Cookieless World

This guide focuses on learning how to deliver personalized and more transparent customer experiences in the absence of third-party cookies.

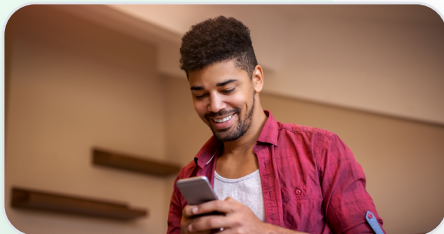
[Download the guide >](#)



## Cookies, Compliance, and Customer Data

This guide describes how with an investment in first-party data, marketers are able to act based on real-time data collection, remain compliant, and maintain customer trust.

[Download the guide >](#)



## Your Guide to Quitting Third-Party Cookies

This guide explains what a cookieless world means for your business, outlines the three types of data collection, and has strategies to reduce dependence on third-party cookies.

[Download the guide >](#)



## Thanks for reading



If you would like to learn more about what Twilio can do for your business,  
please [contact the Segment sales team](#).