In a cookieless world, why are data collection strategies essential for brands

The growing importance of zero-party data

Table of content

#1

Introduction

The marketing world is facing a major challenge: **Google's elimination of third-party cookies**. There is no doubt, the future of digital marketing is going to be impacted. But, marketers could turn this change into an opportunity. Solutions exist — first-party data and zero-party data being a big part of it — but for that, brands and advertisers need to take this reality into account right now.

What's happening with third-party cookies?

Just in case you haven't heard the news, after Safari, Firefox and Explorer, **Google announced that it would phase out third-party cookies** of its Chrome browser by the end of 2023. This means:

1   Advertisers won't be able to collect data via third-party cookies.

2   The way they are targeting and segmenting audiences for digital advertising will change. They will need to connect or reconnect with customers in new and innovative ways.

3   First-party cookies aren't going away. Brands will still be able to collect information about visitors to their own websites.

> *"It is important to remember that the term "cookies" is defined in law as "any process for tracing a data subject". In addition to actual cookies, the legislation therefore also covers pixels, fingerprints and anything else that may emerge in the future when an individual is traced. Even new technological advances such as Google's Topics, which are intended to replace Google's Federated Learning of Cohorts (FloC) and third-party cookies, remain a tracing process."*

Fabien Tramasure
Data protection officer - Qualifio

Don't panic; this is not the end of digital advertising. Personalisation will still be possible beyond the third-party cookies. Alternative solutions exist (we'll cover that in point 3); 2021 will all be about testing, learning and adapting.

COOKIE

A cookie is a small piece of code stored in a user's browser when he visits a website. It enables collecting customer data to recognise them and keep track of their preferences to provide a better and more personalised user experience.

FIRST-PARTY COOKIE

A first-party cookie is stored by the website that a user visits directly. It enables the browser to remember user information like purchase intentions, logins and language preferences.

THIRD-PARTY COOKIE

A third-party cookie is created by websites other than the one a user visits directly, like advertisers websites and social media. It is used for tracking, retargeting and online advertising purposes.

A word from our co-founder...

"Your brand is strong, attractive and in possession of a lot of data. Stop relying on complex, non-transparent AdTech ecosystems and be creative. Context and content are kings. You don't need tons of data: starting making better use of the data you already have access to is already a real challenge! Understanding the consumer who is tired of not knowing where its data is stored and used is the best strategic and long-term option you can take."

Olivier Simonis
Co-founder - Qualifio

#2 The future is cookieless

Why are third-party cookies going away?

For years, cookies have enabled brands to track website visitors, collect data and use that data to target them with personalised ads. But in a post-GDPR world where data privacy compliance is vital, they pose serious issues. Consumers are increasingly concerned about the way companies are using their data. This is leading to more people regularly deleting cookies and using ad blockers. Using third-party cookies for user tracking across the web without transparency or explicit consent wasn't a viable solution anymore. Google's elimination of third-party cookies was inevitable.

> "
>
> *"We don't believe these solutions [i.e third-party cookies] will meet rising consumer expectations for privacy, nor will they stand up to rapidly evolving regulatory restrictions, and therefore aren't a sustainable long term investment."*
>
> **David Temkin**
> Director of product management, ads privacy and trust - Google

Today's consumers expect to be known and understood by the brands they love. Brands and advertisers need to lean into a more efficient, direct, and personalised approach while providing users greater transparency and consent management. Google, and all the other browsers, are forcing advertisers to think differently to reach their audiences. The end of third-party cookies is a chance to make digital advertising better. It's time for a new approach.

> "
>
> *"Regardless of the methodology chosen or the techniques used, tracing an individual to expose them to advertising without their consent will not be possible. The main lesson of all this excitement is that the end of third-party cookies does not mean the end of free, specific, informed and unambiguous consent. CMPs and other Ghostery have a bright future ahead of them…"*
>
> **Fabien Tramasure**
> Data protection officer - Qualifio

The impact for consumers, advertisers and media groups

CONSUMERS

They'll have more control over the data they share with advertisers. Since they must give explicit consent, they'll better understand which companies capture their data, why and how. Without cookies, the personalised ads that consumers receive (outside a brand's owned website) may be limited. However, consumers who have visited a brand's website will be likely to be targeted with personalised ads from that brand.

ADVERTISERS

Targeting tactics like remarketing, relying on cookies placed in a visitor's browser when he visits a website, will be impacted and limited in their reach. The end of third-party cookies will also affect advertisers' ability to exclude audiences from the ones they wish to target. This means they will need to rely on first-party cookies and develop new and innovative ways to collect consumer data.

MEDIA GROUPS

Publishers are the most impacted by the end of third-party cookies because they generate a big part of their digital advertising revenues by collaborating with third-party data providers collecting data via their websites. This change is driving them to develop **new strategies to monetise** their websites without third-party cookies. As **Audrey Schomer mentions in her report**, *"the death of the cookie also opens up unique opportunities for content publishers to reclaim a central role in the digital ad ecosystem as entities with direct, trusted relationships with their audiences."* And that's what the media groups **Vocento** and **NGroup** have been doing for some years now.

"

"Third-party cookies had major weaknesses but also many advantages. In terms of audience measurement, even if it is not disrupted at the level of a website, it becomes complicated to correctly understand cross-site audiences or campaign attribution. For a multi-website publisher like RTL, this is, unfortunately, a handicap. The same will be valid for the automatic connection (SSO) between different domains of the same publisher.

On the advertising aspect, our advertising sales team selected technical partners who anticipated these movements. We use, among others, the Lotame Panorama ID solution, which enables us to keep a cross-site and device stability via privacy by design approach. Besides, our logged audience allows us to maintain a stable identifier between sessions.

We approach these changes with philosophy, knowing that we will challenge tomorrow's solutions quite quickly. Digital is a permanent questioning."

Edouard De Witte
Head of digital - RTL & IP Belgium

#3
What are the alternatives?

As we said previously, this is not the end of digital advertising, and alternatives exist. Let's highlight three approaches to dealing with the death of third-party cookies.

First-party data and zero-party data

The first alternative is to use the data you already have access to: your first-party and zero-party data. As **Grégoire Blond says**, if you don't want to be 100% dependent on Google, Facebook, or Amazon, you must turn your first-party data into action.

"

"First-party data has always been the main data asset in the RTL and IP Belgium ecosystem. Both in understanding our audiences and monetising them, we have relied exclusively on data sources acquired through our media and dialogue with our users. This position, adopted by most local publishers, is a strength and an advantage that we can build on even more.

This is an opportunity for publishers to regain control of their first-party data alongside what GAFANs are offering. First, by better restructuring their first-party data and setting up more efficient funnels to capture this data. Then by selecting the right partners and defining stricter rules on the use of this data."

Edouard De Witte
Head of digital - RTL & IP Belgium

First-party and zero-party data is the data that is intentionally and proactively shared directly by customers. It offers them greater control into precisely what information is being collected while giving brands access to valuable insights enabling them to target customers with personalised offers much more effectively. According to a study by **Quantcast and Iligo**, 65% among the advertisers and media agencies interviewed say first-party data is the most reliable data.

1 in 4 CMOs
will invest more in technology to collect zero-party data.

*Source: Forrester

?

What's exactly the difference between first-party and zero-party data?

An example is worth a thousand words: imagine you are the owner of a hotel. A customer is coming to book a room. To make the reservation, you need the customer's first and last name, email address, and phone number. These are first-party data. To make his stay enjoyable, you ask him his preferences: at which floor do you want to be? Do you want breakfast? Are you bringing your pets? The answers to these questions are zero-party data.

"

According to **Forrester**, zero-party data is the

"data that a customer intentionally and proactively shares with a brand, which can include preference centre data, purchase intentions, personal context, and how the individual wants the brand to recognise her."

Contextual advertising

As our co-founder said, *"context and content are kings"*. Contextual advertising is related to the content of web pages. It's the automated process of placing ads on pages based on their content. For example, an ad for running shoes on an article talking about running is a contextual ad. Contextual advertising algorithms select the ads based on keywords and other metadata included in the content, enabling to deliver a targeted and relevant ad. Contextual advertising differs from behavioural advertising based on the user's actions before he reaches the web page.

"

"The message from consumers is clear, privacy cannot be an afterthought. In this new world, and thanks to recent advances in artificial intelligence, contextual advertising emerges as the most powerful way for brands to reach their users at the right time and environment with the right message."

Paul Goldbaum
CTO - Seedtag

68% **monthly average revenue increase**

since the Netherland's national broadcaster, NPO switched to contextual targeting.

> *"Google's latest announcement reinforces the revolution in digital advertising from audience-based targeting and towards contextual targeting once again. Context has evolved, and sophisticated technology can help brands reach the right audiences within contextually relevant environments. As a result, we're seeing more marketers adopt contextual targeting as the linchpin of their digital advertising campaigns."*
>
> **Nick Morley**
> Managing director EMEA - Integral Ad Science

Google's Privacy Sandbox

As explained in the introduction, first-party cookies aren't going away. Brands will still be able to use Chrome's first-party cookies to target ads while protecting Chrome users' data via Google's Privacy Sandbox. With the Privacy Sandbox, Google wants to keep ad delivery efficiency without the use of third-party cookies in Chrome.

> *"The most significant item in the Privacy Sandbox is Google's proposal to move all user data into the [Chrome] browser where it will be stored and processed. This means that data stays on the user's device and is privacy compliant. This is now table stakes and the gold standard for privacy."*
>
> **Amit Kotecha**
> Marketing director - Permutive

However, even if Google refers to the **Privacy Sandbox** as *"a secure environment for personalisation that also protects user privacy"*, many advertisers fear it will *"cement Google dominance of online business"*. To be continued...

#4

The future is zero-party data

> *"With this change, Google and other significant players are pushing brands to focus on their users, listen to them, understand them and interact with them. The way we used to do marketing will change positively. Brands will be closer to their audiences, providing them with a fair value exchange and caring more about their needs.*
>
> *Third-party cookies are from the past; now, we need to be better in privacy, transparency and creativity. Let's take this change as an opportunity to create robust data collection strategies relying on the most significant asset we have: our customers, the primary competitive advantage a brand will always have."*
>
> **Antonio Molina Cubero**
> CMO - Qualifio

What are the benefits?

Google's elimination of third-party cookies is an opportunity for brands to increasingly rely on zero-party data and turn it into a competitive advantage. Zero-party data plays a significant role in helping marketers:

- Strengthen customer relationships.

- Enhance user experience and engagement.

- Understand their audience.

- Invest in personalisation.

- Collect insights with consent.

- Increase conversions.

Zero-party data offer a more powerful way to understand customers, address their needs and build meaningful, long term relationships. By collecting and using them, marketers can learn to create more engaging user experiences and put the customer at the heart of everything they do.

How to successfully collect and use zero-party data?

THE CHALLENGES

Today's consumers are concerned about data privacy. They have changed their behaviours regarding who they're giving their data to. More than ever, brands have to prove they can be trustworthy to get actionable data. There are many ways to encourage people to share their data. Here are three ways to achieve it:

1 **Be transparent** by defining an explicit data strategy and writing a clear privacy policy providing information about the purpose of each processing of personal data.

2 **Create a true value exchange**. You must offer something useful or valuable to consumers if you want them to share a bit more information about themselves. This could be discounts, attractive prizes, rewards, loyalty points, premium content, special offers, etc.

3 **Choose interactive content** and include interactivity (quizzes, contests, tests, polls, animates games, etc.) in your content. In exchange for entertainment, most consumers are more likely to share their data.

USE CASES

Let's see now how major brands are collecting zero-party data through interactive content and using this data to achieve their marketing objectives.

Decathlon **uses zero-party data to generate personalised product recommendations and increase conversions**. Instead of using a pure acquisition campaign to approach its prospects, the world's largest sporting goods retailer created different shopping guides for each sport, including the essential items to have. Consumers are asked to check the sports items they have not yet. Based on their answers, Decathlon displays a personalised link directing consumers to the right page on its eCommerce to make their purchases.

2,7% **average conversion rate** for the pages with the shopping guides compared to 1.22% for standard landing pages

Èggo Kitchen **uses zero-party data to deliver customised messages to specific audiences and increase engagement**. After a trade show, the Belgian company decided to retarget its visitors based on their answers to a test asking them about their kitchen style. By sending the right message to the right audience, Èggo Kitchen managed to get an opening rate exceeding 50%, with a click-through rate of over 10%.

 50% email opening rate
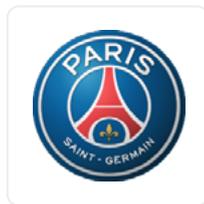
PSG **uses interactive content to encourage fans to create personal accounts**. The football club launched an Advent calendar that unveiled a gift or promotion every day. Users wishing to participate in the draw had to connect either by using their existing PSG credentials or by creating a PSG account.

 3,000 new PSG accounts created per day

BONNIER

To generate leads, Bonnier Publications is transparent on how the group will use the user's data. In each of its interactive content, the Nordic region's leading media company has a form with an explicit opt-in to collect participants' consent. All the data of those who have given their consent are then sent to Bonnier's sales team for a one-to-one approach. The conversion rate lies between 5 and 10%. This means that out of 25,000 leads contacted, they get 1,200-2,500 new print magazine subscribers.

5-10% conversion rate
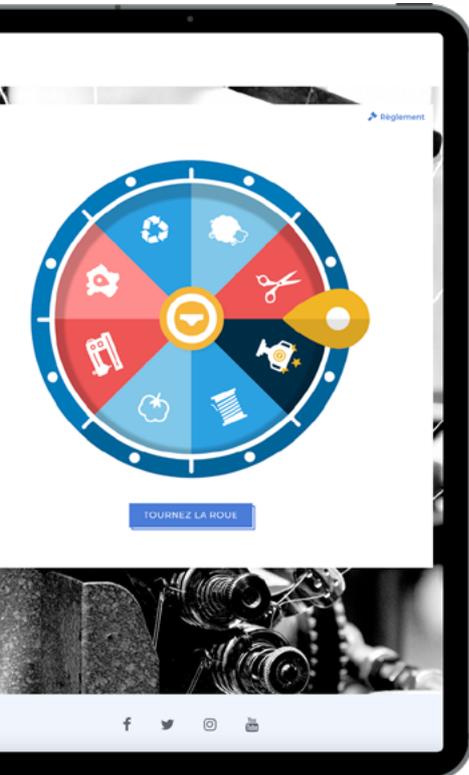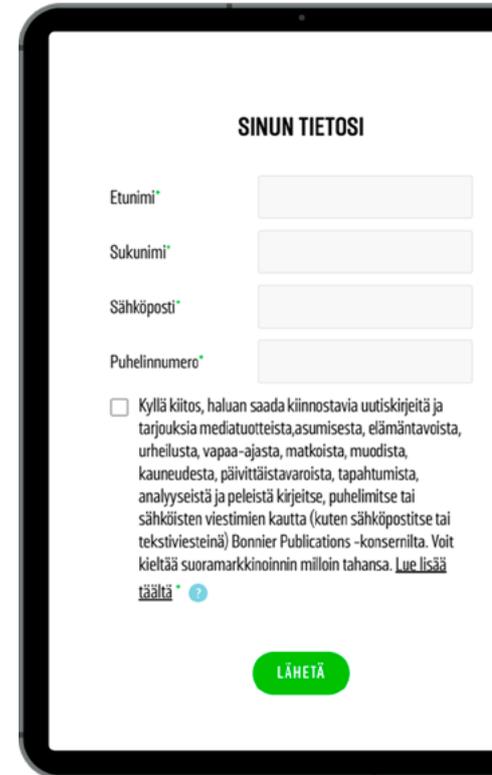
Le Slip Français uses interactive content to collect newsletter opt-ins. A good example of an acquisition campaign launched by the brand is the wheel of fortune, which has been available for several months on its eCommerce via a pop-up on its homepage. Once a prospect becomes a customer, the pop-up is no longer displayed! To spin the wheel and try to win Le Slip Français briefs or panties, participants have to fill out a form in which an opt-in to the brand's newsletter is proposed. In 5 weeks, the wheel of fortune counted:

33,000 participants with a participation rate of **10%**

13,000 new profiles with an opt-in rate of **28%**

How Qualifio can help

Marketers should have access to tools enabling them to be better marketers by collecting zero-party data in full compliance with the GDPR and making the most of it. This is what Qualifio does.

Qualifio enables large brands and media groups to engage audiences across digital channels via 50+ templated interactive formats (quizzes, contests, surveys, tests, animated games, etc.). With stringent adherence to the GDPR, the platform allows the collection of rich zero-party that can be pushed to a client's wider technologies for data enrichment.

Watch the webinar organised by Qualifio and Marketing Finland about *"What is your brand doing in a cookieless world?"*

WATCH THE WEBINAR REPLAY

More than 400 clients currently use Qualifio across Europe.

How does it work?

Create

Select from over 50 formats and customise your campaign, no technical skills required

Publish

Publish your campaign in one click on your websites, mobile apps, social networks or dedicated minisite

Collect opt-ins and data

Run GDPR-compliant data collection campaigns thanks to a set of dedicated features

Get results

Visualise and extract profiles collected and campaigns statistics in real time

Segment & monetise

Connect the platform to your marketing & data collection tools (CRM, DMP, SSO, email, automation, Analytics, etc.) to leverage your data

Interested?

REQUEST A DEMO

Need more info?

CONTACT US