DinMo

2024: end of 3rd party cookies

The ultimate guide to understanding third party cookies and preparing for this new "cookieless" world

Content

Introduction

Who is this guide for?

This guide is specially designed for acquisition managers, marketing directors and anyone else involved in a company's digital strategy. If you're looking to **optimize your advertising campaigns** and **lower your cost of acquisition** on your various platforms despite the end of third-party cookies, this guide is for you.

Why is this guide essential for acquisition managers?

Announced by Google and feared since 2020, the end of third-party cookies has now become a reality. This Thursday, January 4, marked the start of large-scale tests to remove third-party cookies from Google Chrome.

This decision is the result of growing concerns about confidentiality and privacy. The advertising environment had already been strongly impacted, following the **tightening of GDPR and CNIL regulations**, the increasing **use of ad blockers** and the **end of third-party cookies on Safari and Mozilla**.

This gradual disappearance of third-party cookies has had a major impact on advertisers' acquisition costs on major ad networks such as Meta Ads and Google Ads. This impact is estimated at **20% today**, and **could reach up to 50% by the end of 2024**.

So close to the deadline, the subject is often discussed, but not yet industrialized. And yet, getting ready to manage this transition is essential. Now, more than ever, is the time to get a head start, explore alternatives and compare them with current results.

Your digital performance will only be at risk if you don't change your strategy. From now on, **it's vital to explore other channels, engage in A/B testing and place greater importance on your own data.**

This guide will help you understand all about third-party cookies and the impact of their disappearance, so that you're ready to meet the challenge of the post-cookie era.

How can DinMo help you in this transition?

As we'll see in this guide, one of the major solutions to the end of third-party cookies lies in the **increased collection and use of first-party data.**

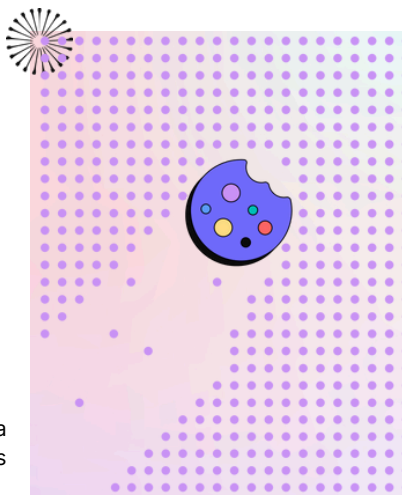
DinMo, as a modular CDP, makes the use of this data much easier. Our solution integrates natively with your data warehouse and advertising platforms, enabling simplified management of events and audiences. No need to worry about the technical complexities of implementation or the need for technical expertise. With DinMo, you can implement in a matter of hours the sending of audiences enriched with your own data, and the sending of server-side conversions to all your advertising platforms.

Understanding how first-and third-party cookies work

What is a cookie?

A cookie is a variable stored by the server in a user's terminal (computer, telephone, etc.) and is associated with a web domain.

If a user logs on to the dinmo.com site, the cookie deposited could be as follows:
Cookie name: "user_id
Cookie value: "thfy3a
Associated domain name: dinmo.com



When the domain name associated with the cookie is the **same as the URL of the site, it is a first-party cookie.**

Third parties may also place cookies on a domain other than the main site. These are **known as third-party cookies.**

How does it work?

When a user navigates on a site and changes page, a new request is sent to the server with all its cookies (first and third).

Thanks to the value of its cookie, the site is able to understand that this is a single person.

The cookie will then store this information and add to it on each new visit. Which page did the visitor access first? How long did they stay on a particular page? **All behavioral and preference information is collected and used by the cookie owner.**

In the case of first-party cookies, the information gathered is used to facilitate site navigation and improve the services and content displayed.

👉 Note that these cookies can still be used in 2024 (and beyond!) as long as the user gives his consent.

In the case of third-party cookies, the information collected does not directly concern the site. **The advertiser is able to compile and analyze the user's behavior on almost the entire Internet** for the largest of them.

This involves determining the habits of an Internet user and the various links he or she visits, in order to fine-tune the advertising to which he or she might be sensitive.

The average user doesn't necessarily understand what we're talking about when confronted with a consent banner. Yet he or she is bound to have had frequent experiences of third-party cookies:

Let's imagine that an Internet user's little sister is about to celebrate her birthday. He takes advantage of a lunch break to consult various sites, initially to try and find a gift idea. He concludes that a watch isn't such a bad idea after all. He then spent some time on several sites, consulting different models and comparing prices.

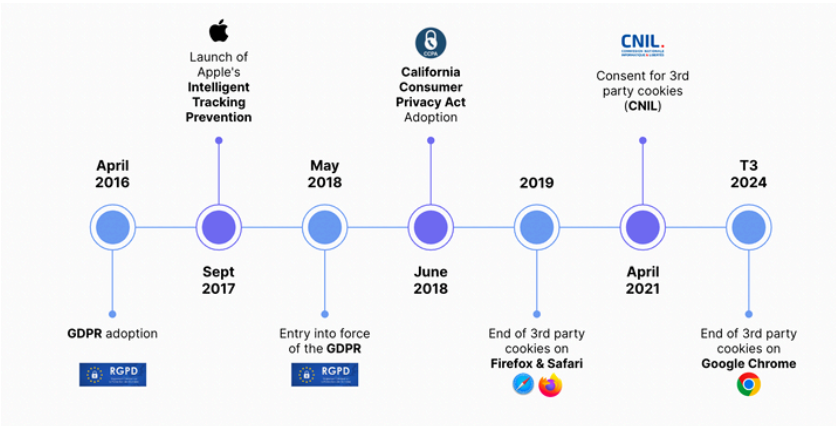
A few hours later, while consulting an unrelated site on his computer, he noticed that the banners he was offered were only women's watches. A few minutes later on his phone, he notices other sponsored ads on Instagram for the same type of products.

The reason is quite simple: third-party cookies deposited on this user's computer by Meta made it possible to track his Internet browsing and understand that he was looking for a gift for his little sister. From there, all it took was to offer him the right ads when his presence was detected on a new website, also partnered with Meta.

What's more, Meta already knew this user, as he had logged into his Facebook account on his computer a few days earlier. By reconciling a cookie with a specific user, Meta was able to deliver sponsored content to his account, regardless of the device used.

Why stop using third-party cookies?

The end of third-party cookies is mainly explained by growing **concerns about confidentiality and privacy issues**. This is not a recent topic, and the advertising environment has already been heavily impacted by various regulatory regulations (GDPR, CCPA, CNIL) and actions by other players (Apple and Mozilla in particular).



Thus, the data available for companies was already limited:

1 CNIL and RGPD regulations

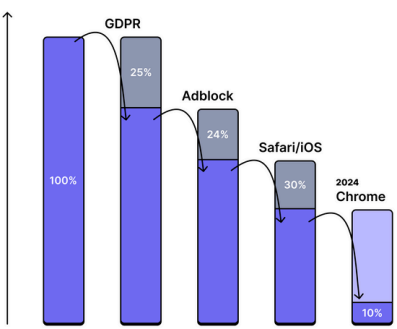
Around 25% of users refuse non-essential cookies, prohibiting the collection of browsing information.

2 End of 3rd party cookies on Mozilla & Firefox

Mozilla and Firefox account for around 30% of the browser market.

3 Adblockers

24% of users use an adblocker, limiting the amount of information collected.



The end of third-party cookies on Google Chrome is all the more worrying, given that the browser is the most widely used in the world. With these new restrictions, the proportion of information finally available to advertisers could drop to **10% of the initial information.**

Fortunately, even if the loss of information due to user consent cannot be prevented, we'll see how it's possible to get around browser restrictions and ad blockers to avoid losing even more data.

How will Google Chrome gradually phase out third-party cookies?

Google had announced the end of third-party cookies as early as 2020, but has frequently postponed this deadline. 2024 should bring the series to a close.

In August 2022, Google Chrome introduced its **Privacy Sandbox**, an initiative focused on online data protection. Its aim is to phase out third-party cookies through new data protection techniques such as differential privacy, k-anonymity and on-device processing.

Differential privacy

This is a system developed by Google to enable the identification of behavioral trends without disclosing confidential data about individuals or their affiliation to the underlying dataset.

k-anonymaty

This is a system for evaluating the degree of anonymity within a data set. With an anonymity level of k=1000, it becomes impossible to differentiate a person from the 999 other individuals in the set to which he or she belongs.

On-device processing

Computer operations are carried out locally on a device, with no communication with external servers.

Google Chrome has conducted several tests in recent months to see how its new tracking tools perform.

Since the last quarter of 2023, Chrome has provided developers with a test label to **run independent simulations and tests to mimic the end of third-party cookies.**

On January 4, 2024, Chrome removed third-party cookies for 1% of its users. This percentage may seem derisory, but **it still represents 30 million people.**

Finally, the **third quarter of 2024** should mark the definitive end of third-party cookies on Google Chrome, if this is validated by the CMA (Competition and Markets Authority).

What are the implications for marketing strategies?

This transition period will have significant repercussions, especially for players with a strong e-commerce business. The end of third-party cookies calls for a thorough review of the marketing methods previously used.

1 Retargeting

A classic marketing technique, which involves targeting a person who has already interacted with your brand. For example, a user may consult an article on a website without buying it. Later, he might consult Instagram and receive a sponsored banner of the product he had previously consulted.

👉 Without third-party cookies, users' browsing behavior can no longer be tracked, **making retargeting impossible in its current form.**

2 Acquisition

A classic acquisition campaign is based on the "lookalike" principle, targeting people who are "similar" to the brand's best buyers.

👉 Without third-party cookies, it's much more complex to trace an individual's online journey and thus identify "digital twins". **The targeting recommendations of advertising platforms will lose relevance**, as their algorithms will no longer be fed by granular data.

3 Conversions measures

Today, third-party cookies play a role in measuring the performance and impact of advertising campaigns, with so-called "post view" attributions.

👉 Without third-party cookies, the **quality of advertising reporting and the measurement of Return on Investment (ROI) will be more complex**.

4 Limiting exposure frequency

Ad frequency, the number of times an ad is shown to a web user, is an essential metric to control. The aim is to stimulate the individual without disturbing him/her (and therefore losing all hope of conversions).

👉 Without third-party cookies, it **becomes difficult to know how many times the surfer has already been exposed to a specific ad**. The frequency of impressions can therefore no longer be capped, which can turn into advertising spam.

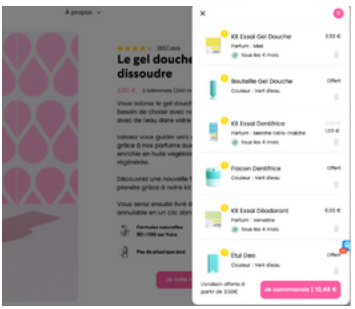
Illustration: On average, 10% of CACs are spent on customers who have already purchased

1 Sponsored content is displayed

The user clicks on the ad from Facebook

2 The user purchases

The user confirms his basket at H+1



3 The order is confirmed

At H+1, the user receives order confirmation

4 Sponsored content is still displayed

3 days later, the same acquisition campaign is still displayed

With the end of third-party cookies, advertising platforms are targeting much more blindly. They can display sponsored content to users, but cannot track their browsing behavior afterwards. So they don't know whether the user has finally bought after clicking on an ad.

However, knowing that the person has clicked, it identifies him or her as a high-potential customer. So they keep retargeting them, even though they've already converted.

To solve this problem, a first solution is to send the list of recent customers and exclude them from current acquisition campaigns.

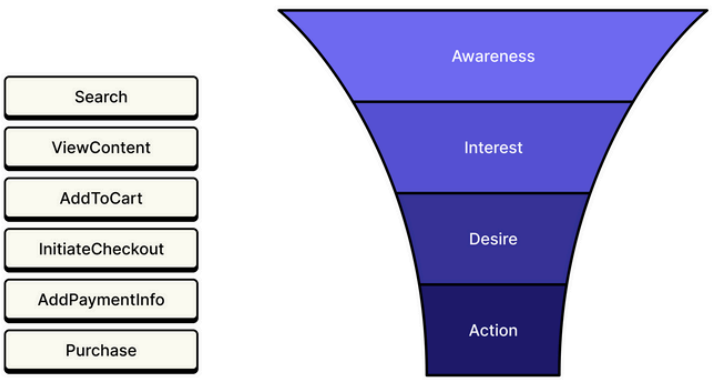
The ultimate guide to preparing for the end of third-party cookies

To cope with the end of third-party cookies, it's important to prepare well in advance to ensure perfect implementation of the solutions that will pave the way for the future of online advertising.

Here, we give you 5 necessary steps to prepare for the end of third-party cookies:

1 Identify conversion events relevant to your business

A customer's buying journey can be broken down into several stages, leading from discovery of your product (or service) to purchase. As the funnel progresses, purchase intent increases.



The results of marketing campaigns are not the same, depending on the optimization required of advertising platforms. Optimizing on a per-click basis won't necessarily translate into more purchases, as clicks won't necessarily be qualified.

We therefore recommend that you collect as much information as possible for t**he events that are most important to you**, and on which you want to optimize your campaigns.

- Ecommerce : Add-to-cart, InitiateCheckout et Purchase
- Subscriptions : Sign-up, Trial et Subscribe

If it's relevant to your business, it's essential to **collect and centralize offline conversions** too. An in-store purchase can be a strong signal to send to advertising platforms, whether used for lookalike campaigns or to exclude recent customers.

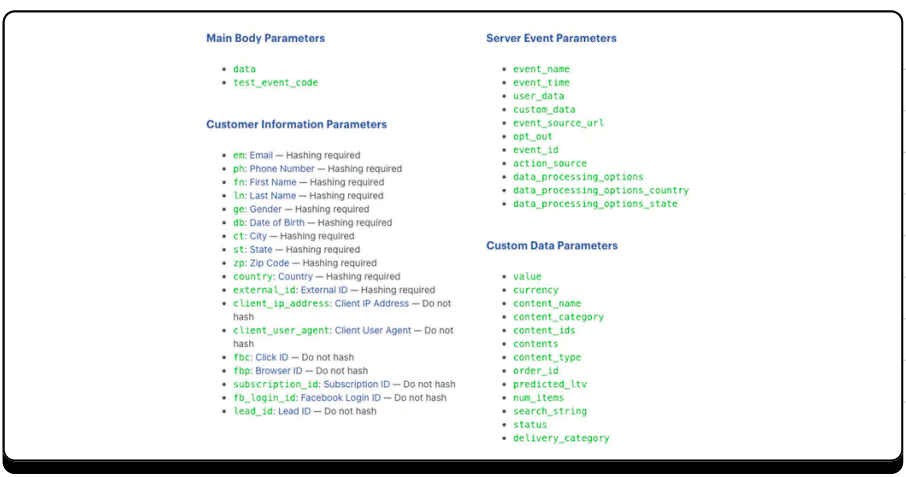
As you can see, the end of third-party cookies means a smaller volume of data. So now, more than ever, is the time to **collect clean data from your public**. To do this, you can seek personal information in exchange for exclusive benefits (loyalty programs, newsletters, surveys, etc.).

2 Collect these events in server side

Once your funnel has been defined, it's important to ensure that you can collect these events from your servers.

In particular, if you have offline conversion events such as a qualified lead or an in-store sales, you need to make sure you collect and centralize them with the right frequency in a data warehouse, so you can then send them to Meta Ads, Google Ads or any other advertising platform.

Centralizing your data in a data warehouse enables you to **build a Customer 360** and feed all your platforms with the same data. When collecting events from your servers, it's important to make sure you collect first-party data such as email or phone number to enrich your events and enable advertising platforms to recognize profiles on its platform.



Main Body Parameters

- data
- test_event_code

Customer Information Parameters

- em: Email — Hashing required
- ph: Phone Number — Hashing required
- fn: First Name — Hashing required
- ln: Last Name — Hashing required
- ge: Gender — Hashing required
- db: Date of Birth — Hashing required
- ct: City — Hashing required
- st: State — Hashing required
- zp: Zip Code — Hashing required
- country: Country — Hashing required
- external_id: External ID — Hashing required
- client_ip_address: Client IP Address — Do not hash
- client_user_agent: Client User Agent — Do not hash
- fbc: Click ID — Do not hash
- fbp: Browser ID — Do not hash
- subscription_id: Subscription ID — Do not hash
- fb_login_id: Facebook Login ID — Do not hash
- lead_id: Lead ID — Do not hash

Server Event Parameters

- event_name
- event_time
- user_data
- custom_data
- event_source_url
- opt_out
- event_id
- action_source
- data_processing_options
- data_processing_options_country
- data_processing_options_state

Custom Data Parameters

- value
- currency
- content_name
- content_category
- content_ids
- contents
- content_type
- order_id
- predicted_ltv
- num_items
- search_string
- status
- delivery_category

By way of example, the full list of client identifiers accepted by Meta is available in the official documentation.
If you'd like to find out more about implementing Meta CAPI, check out this resource on our blog.

Be careful, however, to **obtain the user's consent.** Indeed, if you are not authorized to use your data for your marketing use cases, your collection will simply be useless. Unfortunately, from a simple opt-in collection by channel to a collection by purpose, data volumes can change significantly.

Yet it would be foolish to deprive yourself of such a gold mine. You can encourage your customers to provide consent and personal data, and offer them exclusive benefits in return.

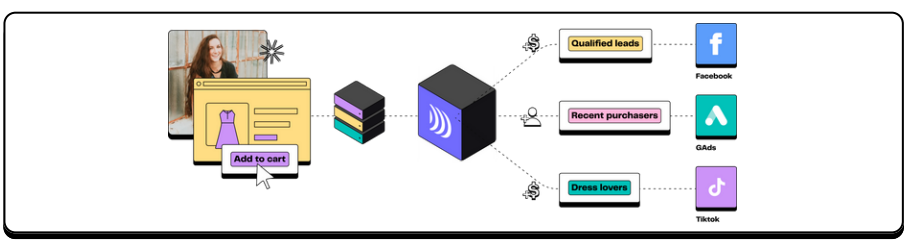
3 Send your 1st party data to all your platforms

To cope with the end of third-party cookies, almost all advertising platforms have developed tools that enable advertisers to efficiently share the conversion events of their leads and customers. These tools are commonly known as **Conversions APIs**. However, these solutions are recent and can be difficult to implement.

For some platforms, integrated solutions such as GTM Server Side or Shopifiy are available. These manage the collection of online events and their transmission to the platforms. These solutions are ideal for companies with a simple customer funnel and 100% online conversions.

At DinMo, we recommend **centralizing all your conversion data from all sources** (your back office, CRM etc.) **in a cloud data warehouse** like Big Query or Snowflake. This gives you a single source of truth for the entire online and offline customer journey. By doing so, you can take advantage of the full power of conversion APIs by sending both online and offline events.

This will also enable you to **use first-party information that you only have in your back office or CRM** (external id, Country, City etc.), which can considerably improve the quality of conversion API implementation.



Implementing Conversions APIs via DinMo

4 Adopt a multi-channel strategy

Collecting your own data is essential, but not always easy. To get around the lack of user information, it may be appropriate to use a **well-honed multi-channel strategy.**

As long as third-party cookies haven't disappeared altogether, now's the time to explore untapped horizons. SMS marketing, blogging, influencers, offline communication... **Multiplying the touches** with your prospects can greatly increase your conversions.

To implement your strategy properly, start by building your unique source of truth (again ☺). This will enable you to feed all your platforms with the same data, and thus define a relevant multi-channel strategy.

Next, determine your objectives, characterize and segment your target and allocate a dedicated budget for each channel. Measure the impact of each channel and **AB test** your results against your current performance, using strategies based on third-party cookies.

It's worth noting that **emailing and SMS marketing** are once again becoming very attractive levers. They enable you to start a conversation with people who have already shown an interest in your brand.

👉 Don't hesitate to set up newsletters with quality content and include interesting promotional offers to encourage conversion.

Contextual targeting is becoming particularly popular again, simply by placing ads on similar marketing channels. You can simply display ads on related websites and channels that your target is likely to visit.

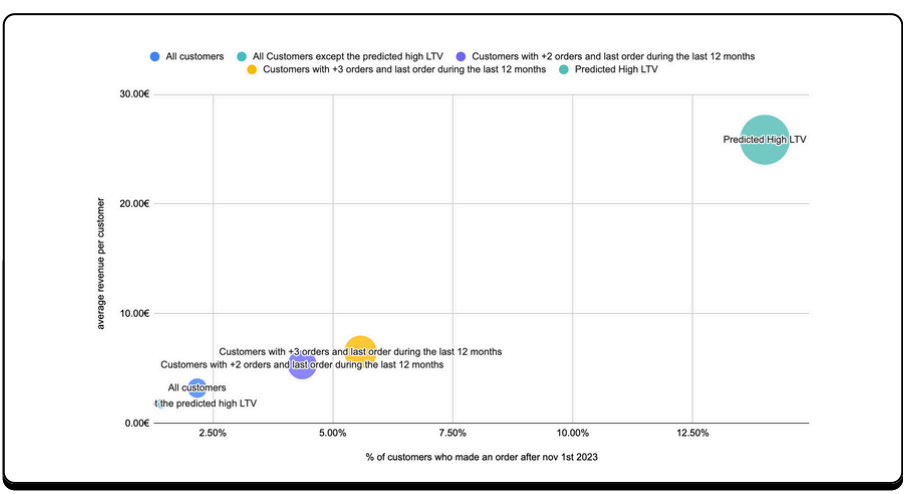
5 Use Artificial Intelligence!

In the absence of third-party cookies, artificial intelligence can be a powerful ally when fed by your first-party data, whatever the source (website, chatbot, conversations, Privacy Sandbox, etc.).

Interactions with a chatbot, transcripts of a conversation with an advisor, analysis of search bar queries,... all provide **valuable insights into customer needs**, and whether or not they belong to a particular consumer profile. The same goes for survey data or product reviews (on your site or on social networks), which shed light on their desires, expectations and concerns.

Analyzing user behavior and using AI to adapt the experience in real time can be a winning strategy. Instead of starting from assumptions ("business rules") and segmenting users into a personalization cohort according to predefined rules, it can be relevant to adopt new AI-based strategies.

💡 Thanks to advances in artificial intelligence, it is now possible to segment the customer base more effectively and offer reactive recommendations to each segment.



Using artificial intelligence to predict the best customers (Lifetime Value)

How DinMo helped Diptyque Paris to reduce its Customer Acquisition Costs by 20% in a few weeks

Introduction: The challenge of eCommerce in the digital age

In a world where digital is omnipresent, companies are faced with increased competition and ever-higher customer acquisition costs.

In this context, Diptyque Paris, a luxury perfumery and cosmetics house founded in 1961, was looking to innovate and accelerate its e-commerce activity. Although the brand had a rich heritage and a loyal audience, it needed to adopt more sophisticated and scalable methods to remain competitive on advertising platforms such as Facebook, Google, and Pinterest. The challenge was therefore daunting: how to improve the efficiency of advertising spend while maintaining the authenticity and quality of customer engagement?

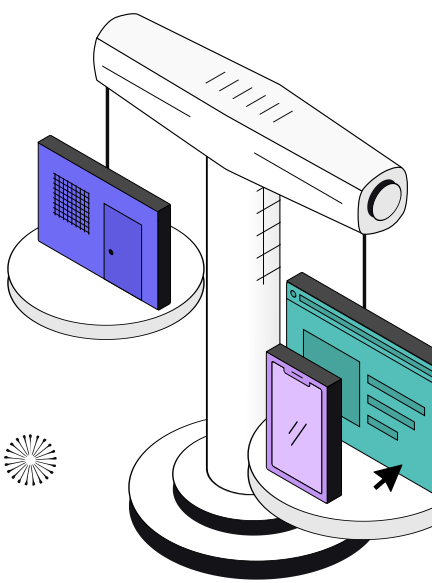
That's where DinMo steps in.

Context

Diptyque is not just any company; it's a luxury brand with a global reach, operating in Europe, North America and Asia.

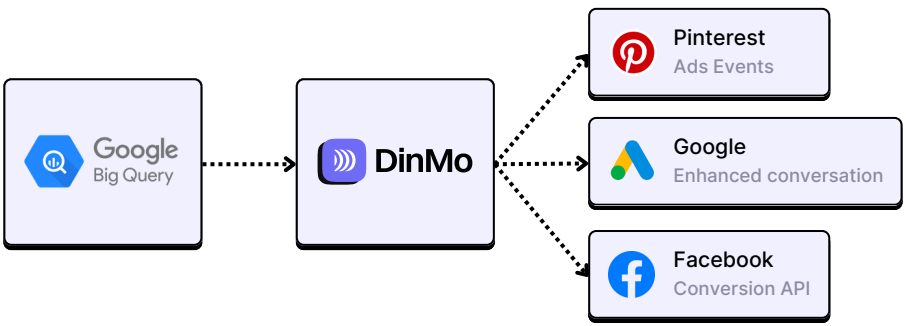
Each market presents its own challenges and opportunities, exacerbated by rapid technological change and the disappearance of third-party cookies. Old methods of targeting and customer acquisition are no longer viable in this new context.

As a result, Diptyque was looking for innovative ways to maintain and even improve its marketing KPIs, notably cost per acquisition (CPA), while preserving the high quality of the online customer experience.



DinMo's role

DinMo provided Diptyque with an adaptive solution that enabled them to overcome these obstacles. Thanks to our modular Customer Data Platform, which integrates seamlessly with cloud data warehouses such as Snowflake and BigQuery, Diptyque's marketing teams were able to autonomously drive their efforts. Our platform not only facilitated the creation and synchronization of audiences, but also optimized the management of conversion APIs on various advertising platforms such as Facebook, Google and Pinterest.
In less than a week, Diptyque was able to switch 8 advertising accounts managing all online acquisition investments to conversion APIs, guaranteeing them maximum feedback of conversion events and thus better performance.



Results

The collaboration between DinMo and Diptyque Paris has produced quantifiable results that illustrate the potential of leveraging customer data to optimize the digital experience. Here are some of the most significant results:

- **Increased conversions:** The use of DinMo led to an impressive 62% increase in the number of conversions attributed on Facebook for the "Purchase" event. This means not only greater return on ad spend, but also a better understanding of customer needs and behaviors.

- **CPA reduction:** Increased efficiency in targeting and data orchestration has reduced the cost per acquisition (CPA) by 18%. In an increasingly expensive marketing environment, this reduction is crucial to long-term profitability.

- **Improved customer experience:** By avoiding displaying ads to customers who have already made a purchase, DinMo has helped maintain a high-quality user experience. This strengthens brand loyalty and enhances the overall customer experience.

- **Multicontinental adaptability:** Successful deployment on three continents demonstrates the flexibility and scalability of the DinMo solution, capable of adapting to the specific requirements of very different markets.

These results attest not only to the effectiveness of the DinMo platform, but also to the ability of the Diptyque marketing team to integrate new technologies into a coherent and effective strategy. In a world where data and marketing are increasingly converging, these successes are a model for other companies seeking to achieve similar gains in a rapidly evolving digital environment.

Conclusion and next steps

Summary of Key Points

We have explored the gradual disappearance of third-party cookies and its impact on online advertising, notably through platforms.

Through this guide, you have discovered the potential of using 1st-party data to circumvent these obstacles. By using the concrete example of the collaboration between DinMo and Diptyque Paris, we demonstrated how a data orchestration platform like DinMo can simplify and enhance the efficiency of 1st-party data strategies

Why act now

The disappearance of third-party cookies is imminent, and addressing its impact is vital for many brands operating online. **Advertisers who quickly adopt new technologies and best practices will have a sustainable competitive advantage**. If you haven't yet considered how using your 1st party data can benefit your business, now is the time to do so.

Next steps

1. **Technical Evaluation**

Review the technical capabilities of your team and your infrastructure to assess your readiness for the implementation of Conversions APIs.

2. **Consultation with Experts**

Consider engaging with expert partners in data and advertising, such as DinMo, to maximize the ROI of your implementation.

3. **Test and optimisation**

After implementation, continuous monitoring and optimization are essential to ensure that you are getting the most out of your advertising investments.

4. **Continuing Learning**

The advertising landscape is constantly evolving. Stay up to date with the latest trends, tools, and regulations to maintain a competitive edge.

Additional Resources

For those who wish to deepen their understanding, we recommend the following resources and readings, available on our website or via our newsletter.

- Our Linkedin newsletter
- Our Blog and our best practices in our resources section
- If you need a free consultation to assess your potential losses, contact us by email at hello@dinmo.com, or via our contact form.

Acknowledgements

We would like to thank all the marketing and data experts and professionals who contributed to this guide. A special thanks to our client, Diptyque Paris, for sharing their experience and successes.

This is just the beginning, and the future of online advertising looks exciting. Thank you for taking the time to read this guide, and we hope you have found valuable information to guide your digital strategy.

For any questions or to discuss the topics covered in more detail, do not hesitate to contact us by directly via our contact form.
Our dedicated data marketing experts are here to help through this implementation.

To stay informed and receive our latest publications, you can sign up for our newsletter.

Follow us on LinkedIn, X, and other social media platforms for updates and real-time insights.

For personalised support and a free consultation

Contact Us

Good luck with your digital marketing projects!

Alexandra Augusti
Strategy & Operations Manager @DinMo