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# Preparing for the End of Cookies

7 Steps Publishers  
Should Take

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Empowering your media business

# Introduction

The advertising industry is moving toward a cookie-less future at a rapid rate<sup>1</sup>. You already know that this strategy is unsustainable, but survey data suggests you may not be prepared for the transition. In a study on the world's top 500 publishers conducted by Google in 2019, revenue dropped by 52% on average when the search engine disabled third-party cookies—a figure that indicates publishers need to make greater strides toward a first-party data strategy<sup>2</sup>.

As the data privacy landscape becomes increasingly complex, publishers must stay informed and take steps to adapt to the changes so that they can better serve their audiences and advertisers. In this whitepaper, we'll explore the issues surrounding third-party data, why publishers need high quality first-party data, and how you can prepare your business for a cookie-less future.



# Table of Contents

<b>The Data Landscape</b>	<b>4</b>
The Problem with Third-Party Data	5
Why You Need First-Party Data	6
<b>7 Steps to Take to Prepare for a Cookie-less Future</b>	<b>7</b>
Step 1: Assess Your Current Situation	8
Step 2: Evaluate Your Data Partners	9
Step 3: Use Technology to Get Organized	10
Step 4: Seek Out Strategic Partnerships	11
Step 5: Decide if You Will Compete or Collaborate with Walled Gardens	12
Step 6: Find Tools to Solve Identity Challenges	13
Step 7: Prep Your Sales Team and Your Advertisers	15
<b>What Does the Future Hold?</b>	<b>16</b>
<b>Contributors</b>	<b>17</b>
About Lineup	18
About Zephra	18
<b>Sources</b>	<b>19</b>

# The Data Landscape



The taste test results are in, and there's nothing delicious about third-party cookies.

You're likely familiar with these terms, but as a quick refresher, third-party cookies are placed in website code to track browsing history (and more) for behavioral and interest-based ad targeting, and typically don't offer users control over their data after it's collected<sup>3</sup>.

In contrast, first-party cookies gather personal information provided with user consent—for example, the profile details of your publication subscribers or e-newsletter recipients. Users have rights to this data under various privacy laws.

# The Problem with Third-Party Data

The data cookie has been crumbling for a few years now. In 2013, an executive at the marketing company Merkle described cookies as “flawed and invasive.” And time has proven that people don’t like companies tracking their online activity. Nearly 65% of cookies are disabled by users<sup>4</sup>, according to a Flashtalking report. In addition, 75% of mobile devices reject cookies<sup>5</sup>.

If your media organization is relying on third-party cookies to collect data, you’re missing information about the majority of your potential audience. This reality has become even more stark over the past year, with internet browsers like Safari and Google Chrome announcing updates that block third-party cookies<sup>6</sup>. While Apple’s Safari update took effect in March 2020, Google’s Chrome update won’t fully phase out third-party cookies until 2022.

These changes have been heralded as “a significant milestone for web privacy,”<sup>7</sup> and while they do signal good news for internet users, advertisers and publishers alike who don’t have a first-party data strategy will need to act quickly to keep up with those who do.



Nearly **65%** of cookies are disabled by users, and **75%** of mobile devices reject cookies.

# Why You Need First-Party Data

As a publisher, your audience places trust in you—not only to provide accurate information in news reporting, but to keep their personal information secure. The media industry therefore has a responsibility to understand and follow data privacy legislation<sup>8</sup>. Advertisers also depend on publishers to help them reach their target markets in the most cost-effective, impactful way possible.

Implementing a first-party data strategy at your media organization can help you deliver on both of these fronts, as well as remain competitive with publishers who have already begun to leverage the benefits of this data to appeal to advertisers and grow their businesses. The publishers who get on board with this shift in the industry will undoubtedly become the top choices for media buys.



While collecting, segmenting, and monetizing first-party data may seem like a daunting task, this transition to a new media landscape will lead to higher data quality and greater transparency around how data is gathered. Publishers will have more control over their data, and a stronger ability to connect advertisers and audiences.

# 7 Steps to Take to Prepare for a Cookie-less Future



# 1 Assess Your Current Situation

It's crucial to understand how dependent you are on third-party cookies and the programmatic ad resellers who use them<sup>9</sup>. While working with resellers who use third-party cookies can land your media organization additional revenue, it can also leave you with less control over the ad placement you can offer advertisers—and your website user experience.

You must also evaluate the strength of your first-party data. The cleaner your data is, the more valuable it will be for your media organization and your advertisers. You should audit your databases regularly to ensure your data has been legally obtained, and is accurate and accessible to those who need it to do their jobs (and only those individuals)<sup>10</sup>.

Strong first-party data has several benefits<sup>11</sup>. It enables you to identify insights about your audience, such as how long they spend engaging with various types of content on your website and where they go online afterward. This information can help you tailor your offerings to advertisers to increase your revenue in an efficient way. Robust first-party data also helps you deliver greater personalization to your audience via emails, promotions, and retargeting.

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Many publishers already leverage robust subscription offerings to collect first-party data<sup>12</sup>. Subscriptions help publishers reap the benefits already discussed, as well as ensure that they've gotten consent from users to communicate with them, and are in compliance with data privacy laws.



## 2 Evaluate Your Data Partners

Once you understand how reliant you are on data partners, you should assess how your media organization is keeping them accountable to providing clean, legally obtained third-party data<sup>13</sup>. This type of evaluation can help you bridge the gap as you prepare for the future.

First, find out how your partners collect their data and verify its accuracy, as well as whether their data is compliant with privacy regulations. Ask them how often they scrub their database and whether the information in it is kept up to date regularly.

It's also helpful to know if your partners observe or model their data. While the former means the data was collected directly from people who have engaged with things like an ad or a website, the latter means the data may have been collected from a look-a-like audience, which isn't as ideal.

The move away from third-party data, especially the data that isn't clean or legally obtained, will take some effort from your media organization<sup>14</sup>. It will require your team to get creative to produce and place ads that resonate with audiences and show that you've taken their preferences and privacy concerns to heart.



## 3 Use Technology to Get Organized

There are several solutions on the market today that can help you manage your data. We'll break down a few of the options.

### Audience management platform:

Audience platforms aim to give marketers a 'full view' of each person in their database, and this is especially useful for publishers. Bringing the data of all of the following tools into one place allows you to make more intelligent decisions and deliver the most relevant content, ads and offers to each individual reader.

### Customer journey orchestrator (CJO):

This solution can help your media organization capture first-party data through well-timed, effective registration forms, eliminating your dependency on third-party cookies. You can use the data collected by your CJO to deliver more relevant ads to your prospects and increase subscription conversions rates and revenue. CJOs also integrate with CDPs to enrich data collection and provide more actionable insights.

### Customer data platform (CDP):

Your media organization can use a CDP to segment and target customers at various points in their lifecycle. The tool gathers rich insights, and should integrate with your other marketing technology, enabling you to connect with customers through multiple platforms, such as email and social media, in a cohesive and powerful way.

### Data management platform (DMP):

This technology focuses on targeting audiences through display advertising to drive traffic to your website. If you currently use a DMP, a CDP is an ideal complement because it can access the new prospect data stored in your DMP to deliver personalized nurture campaigns. On the flip side, you can use your CDP to create lookalike audience segments for your DMP to run lead generation campaigns.

### Consent management platform (CMP):

If you're concerned about data privacy compliance, you can breathe a sigh of relief and enlist the help of a CMP. This solution helps publishers streamline and manage the consent process, while working to improve the experience for users who visit multiple websites in a row.

Customer experience is a crucial factor to consider when choosing a technology solution to help you transition to a cookie-less future<sup>15</sup>. You should also find out whether a tool offers customizable campaigns that you can deliver across multiple platforms before you add it to your tech stack.

In addition, you should ensure that your media organization has a way to limit the number of times a unique visitor to your website sees the same ad. As not all cookie-less solutions offer this functionality, you may need to use an identity solution to help you reduce "banner burnout" on your audience and deliver better results to your advertisers. We'll dig into that more in Step 6.



## 4 Seek Out Strategic Partnerships

Building a strong first-party data foundation doesn't just require the right tech. It also depends on your media organization's ability to work with other publishers and AdTech companies to maximize your efforts. The [Ozone Project](#) is one example of this type of collaboration, which connects advertisers with 45 million readers in an environment that offers quality content and brand safety.

**“The only way to effect change is for publishers to work together... Our competition is no longer each other.”**

The Ozone Project is a digital marketplace that was created in 2018 by U.K. media organizations The Guardian, News UK, The Telegraph, and Reach. The initiative enables publishers to compete with Big Tech by delivering “a single sales point for a unified, scaled advertising proposition,” according to an interview with Ozone CEO Damon Reeve in [What's New In Publishing](#)<sup>16</sup>.

“The only way to effect change is for publishers to work together. When 75-80% of the market is dominated by no more than five companies, then you have to collaborate in order to be competitive,” Reeve said. “Our competition is no longer each other.”

Other brands such as American Express have enlisted AdTech vendors to help them sync their data with publishers' data<sup>17</sup>. Neustar is one AdTech company that offers this service, which enables advertisers to work with publishers, as well as Facebook and Google. For publishers, it's worth exploring opportunities that organizations like Neustar provide because your goal should always be to make it simple and advantageous for advertisers to do business with you.

## 5 Decide if You Will Compete or Collaborate with Walled Gardens

In our view, publishers need to collaborate *and* compete with Big Tech (Amazon, Google, and Facebook) if they want to offer a high quality experience to advertisers while driving sustainable revenue for their business<sup>18</sup>. Your approach will likely depend on the size of your media organization, as it's common for smaller companies to use platforms like Google and Facebook.

Several brands would like to see publishers develop closed advertising ecosystems, according to Digiday<sup>19</sup>. For example, Unilever is establishing a group of publishers that it plans to purchase ads from going forward, and is encouraging other brands to join.

“Publishers could be doing more for cross-platform measurement to help the advertising ecosystem,” Unilever’s SVP of Global Media, Luis Di Como, told Digiday.

One way that publishers can step up their game is by staying up to date on changes within Big Tech and AdTech. New developments occur quickly in this industry, and having the latest knowledge can give your media organization valuable insight into what solutions you could create to help your advertisers increase their return on investment with your company.



**“Keep a finger on the pulse, make decisions immediately, and rethink your business strategy over and over again. You should be ready for ups and downs,” said an article by MarTech<sup>20</sup>.**

As a publisher, you must think beyond selling ads, and instead focus on helping your advertisers market themselves in a powerful way—which is what brands need most in today’s world<sup>21</sup>. This strategy involves doing research on your customers’ target audiences and developing solutions customized to their needs. It also includes understanding your advertisers’ challenges so you can position your media company as a true value generator, rather than a line item that may be cut from their shrinking post-pandemic budget.

## 6 Find Tools to Solve Identity Challenges

With third-party cookie use on the decline, publishers and advertisers alike are wondering which tracking tool will replace cookies. Several options have been proposed to the Worldwide Web Consortium (W3C), including Criteo's [SPARROW](#) (Secure Private Advertising Remotely Run On Webserver) and Google's Privacy Sandbox/[TURTLEDOVE](#) (Two Uncorrelated Requests, Then Locally-Executed Decision On Victory) tools.



“Google Chrome’s Privacy Sandbox [is] a group of ideas that solve for some advertising use cases, for example, moving ad auctions to browsers and adding noise to targeting groups,” according to an article by AdExchanger<sup>22</sup>. SPARROW shares several of the Google initiative’s objectives, but claims to offer advertisers greater autonomy.

Regardless of which tool replaces third-party cookies, it’s essential for publishers to gather user insights so that they understand their audiences deeply and can serve their advertisers effectively. Identity solutions can help you gather meaningful first-party data from your customers and prospects via their visits to your website, engagement on your social media channels, subscriptions to your publications, registrations for your events, and more.

Currently, only 15% of companies can accurately identify their audiences in a consistent way<sup>23</sup>. This is largely because of the growing amount of devices and touchpoints consumers use to connect with brands today. Publishers can harness identity solutions to help segment audiences more precisely and deliver advertising campaigns with greater impact.

“This has long been a challenge for the media industry,” said Michael Mendoza, CEO at Lineup Systems. “Most publishers are unable to track the total value a single reader brings to their business. As a result, all readers are treated the same, despite the fact that we know personalized offers dramatically increase revenue and reduce churn. If a publisher doesn’t have the tools needed to confirm user identities *and* use that information to boost recurring revenue, they are going to struggle in a world without traditional cookies.”

## STEP 6 (cont.):

Numerous identity solutions have emerged recently that publishers would be wise to explore. Here are a few examples:



### **Lineup's Amplio:**

Coming to the market in 2020, this complete recurring revenue platform is specifically designed to amplify your subscription strategy. Amplio blends customer data with smart revenue tools so you can calculate total customer value and make better decisions for your subscription business.



### **Zephr:**

This best-in-breed CJO tool allows commercial teams to collect and utilize consensual first-party data through highly relevant, deeply personalised datawall strategies.



### **ID5's Universal ID:**

This solution enables publishers to create encrypted first-party user identifiers and share them with AdTech partners.



### **The Trade Desk's Unified ID:**

This free tool allows publishers to match digital identities across various devices so that they can offer greater reach to advertisers outside of a Big Tech environment. The Trade Desk recently announced a planned 2.0 version of this tool, which will use encrypted email addresses gathered by publishers to create IDs.

## 7 Prep Your Sales Team and Your Advertisers

The shift to a successful cookie-less future will require publishers to stay on top of industry trends, anticipate and address issues swiftly, and fulfil their advertisers' needs while protecting their own businesses<sup>24</sup>. There are a few things you as a publisher can do to reassure concerned advertisers about the effectiveness of their ad spend.

First, make it a habit to connect with your advertiser base, whether directly or through your sales team, to hear about any new challenges they may be dealing with. Find out what their objectives are for the short and long term so that you can tailor your solutions to deliver on those goals.

Second, empower your sales team to gather knowledge around how your company can compete with Big Tech and help them communicate your media organization's advantages to advertisers in a clear, compelling way. It's crucial that your sales staff know they have your support to engage in these discussions with your customers. Take the time to prepare for these conversations and answer any questions your staff may have.

Advertisers are looking for several key things from publishers in today's media landscape. Consider how your organization stacks up in the following areas<sup>26</sup>.

**Trustworthiness:** You can vet the brands that advertise with you in a way that Facebook and Google simply cannot, due to sheer volume. This process enables you to create an environment rich in high quality content that audiences trust and want to return to—which is a place that advertisers will also want to be.

**Audience data:** You know that first-party data can help you deliver an improved user experience and hyper-personalized campaigns. If you don't have a paywall or other subscription model in place, it's worth exploring to help you quantify the value of your data.

**Omnichannel campaigns:** When it comes to campaigns that cross digital, print, and out-of-home advertising platforms, you as a publisher have a clear advantage over Big Tech. Your sales team needs to understand the benefits of omnichannel campaigns and relay that information to your customers.

**Marketing expertise:** As we mentioned in Step 5, you must go beyond selling ads and start providing marketing expertise to your advertisers. This requires effort, but is an excellent way to differentiate yourself from other publishers.

# What Does the Future Hold?



The cookies (or cookie alternatives) are still in the proverbial baker’s oven, which means no one is 100% clear on exactly what a cookie-less future looks like. However, we do have some information about the recipe that publishers can use to remain competitive in the meantime.

Contextual advertising has already begun its resurgence in the market<sup>27</sup>. This type of advertising differs from ads that use third-party cookies, because instead of targeting people who fit a specific user profile, contextual ads target people by matching keywords. HubSpot anticipates that contextual advertising will continue to evolve to target users at the webpage level rather than the site level, and that sentiment will take precedence over keywords<sup>28</sup>.

It’s also clear that publishers will need to have more than just user consent to be successful. Delivering a rich audience experience will depend on having a complete view of your users, including gathering their feedback through surveys and reviews.


Every great baker conducts a lot of taste tests. Publishers should do the same by testing technology solutions such as CDPs, DMPs, CJOs, and CMPs to see how the various options work for their business. Now is the time to gather as much knowledge as you can to put your best foot forward. You can also test campaigns in browsers that have already phased out third-party cookies, such as Safari and Firefox, to see how they perform<sup>29</sup>.

A first-party data future is an eventual reality. Publishers who assess their situation now, evaluate their resellers and partners, and leverage new technology will be well positioned for success in the new world. Try to find partners who can help your efforts go further, settle on a strategy to compete and/or collaborate with Big Tech, and seek out tools to solve your identity challenges. Above all, communicate often with your staff and advertisers so they know you’re all in this transition together.



# Contributors

## **SARAH HARTLAND**, *Lineup Systems*

A circular portrait of Sarah Hartland, a woman with long brown hair, wearing a black top and a pearl necklace.


Sarah is passionate about making complex ideas accessible for all. As Head of Marketing at Lineup Systems, she curates, edits and writes for Lineup's Newsroom and has been featured in several other industry publications. Prior to Lineup, Sarah specialized in digital marketing strategy for B2B SaaS startups. Her love for news media and enterprise software brought her to Lineup in 2018, where she's been focused on thought leadership and digital marketing ever since.

## **ALEXANDER DUNDAS**, *Zephr*

A circular portrait of Alexander Dundas, a man with short brown hair, wearing a dark jacket over a white shirt.


Alexander sits at the intersection of product and marketing for Zephr, a leading Customer Journey Orchestration solution based in the UK. He brings experience creating content and refining strategy for fast-growing SaaS startups in the media and technology industries, as well as a passion for disruptive solutions and intuitive tech.

## **TIFFANY KELLY**, *Lineup Systems*

A circular portrait of Tiffany Kelly, a woman with long blonde hair, wearing a black blazer over a white top.

With nearly a decade of experience in digital media, Tiffany is passionate about finding new ways to innovate, problem-solve and drive the industry forward. As Lineup Systems' Digital Product Manager, Strategy & Innovation, she writes for the company Newsroom, oversees the development of digital products and leads the Lineup Digital Services team, helping customers manage their ad operations and digital strategy. Prior to Lineup, Tiffany was the Director of Digital Operations for a U.S. based publisher and a Sr. Digital Media Buyer at an automotive ad agency.

## **AFTON BRAZZONI**, *Uplift Content*

A circular portrait of Afton Brazzoni, a woman with long blonde hair, wearing a white top.

Afton's background in journalism and experience in marketing and communications over the past decade have positioned her to tell rich stories about the tech and media industries across various publications and platforms.

Afton has solid experience writing for the tech, higher education, and arts and culture sectors, as well as developing content marketing strategies and content for entrepreneurs across industries.

## About Lineup

Lineup Systems caters to many of the biggest, most iconic and innovative media organizations in the world. Lineup's flagship product, Adpoint, is credited with transforming media companies by helping to increase revenue, improve productivity and reduce costs. Now, Lineup is launching a first-of-its-kind subscription management platform, Amplio, that will enable media organizations to monetize their audience across print and digital channels more effectively.



## About Zephr

Zephr helps leading businesses and brands succeed in the subscription economy.



Using their intuitive, no-code to operate platform, global publishing and media companies utilize Zephr's best-in-breed solution to easily create high-conversion user journeys, rapidly build stronger customer relationships and dramatically boost ad yields. Zephr's dynamic Rules Builder allows commercial teams to create, tweak and implement effective data- & paywall strategies in minutes; enabling them to capture consensual 1st party data whilst offering deeply personalised user experiences.

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