

AFFILIATE SUMMIT

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eCommerce in a "Cookieless" World



March 2021

MARKETING
EVENTS
CONFERENCE

Contents

3 Editor's letter

5 Executive summary

No such thing as a free web

Chrome vs Safari: Privacy as Marketing

9 Google's Privacy Sandbox - Sandbox or Blackbox?

11 Cookieless solutions

Educating stakeholders: what do affiliates, publishers and advertisers need to know?

Be ready and prepared for change

15 What will be the impact on publishers?

Attribution: the final and most important piece of the jigsaw

Privacy concerns will continue to increase



Editor's letter



Welcome to the latest Affiliate Summit report: e-Commerce in a Cookieless World.

The move towards cookieless tracking is a trend affiliates, networks, publishers and advertisers are all aware of and most are incorporating into their e-commerce strategies. Still, it is, or will be, a major step change in how they will track and monitor online sales, conversions and the user journeys that make up all that activity.

Apple and Mozilla have already moved away from third party tracking and the new cookieless paradigm will come onstream in 2022 as part of Google's move to phase out third party cookies on its Chrome browser.

Networks have long understood and accepted the change and are pushing their customers to adopt it as part of an educational drive. However, for those businesses it means further integration projects and, likely, increased costs and demand for resources.

The big merchants or publishers will be able to accommodate the change, but smaller ones will no doubt feel the squeeze on their budgets.

Cookies still present

Cookieless is something of a misnomer. Cookies will still be present; but the way they are stored, used and managed to target and retarget users will change.

For networks, publishers and advertisers the main issue will be ensuring the quality of the data so that users are re-targeted in a way that drives conversions.

Which brings us to the final and most important piece of the jigsaw: attribution. This is not surprising as it determines who gets paid, and how much.

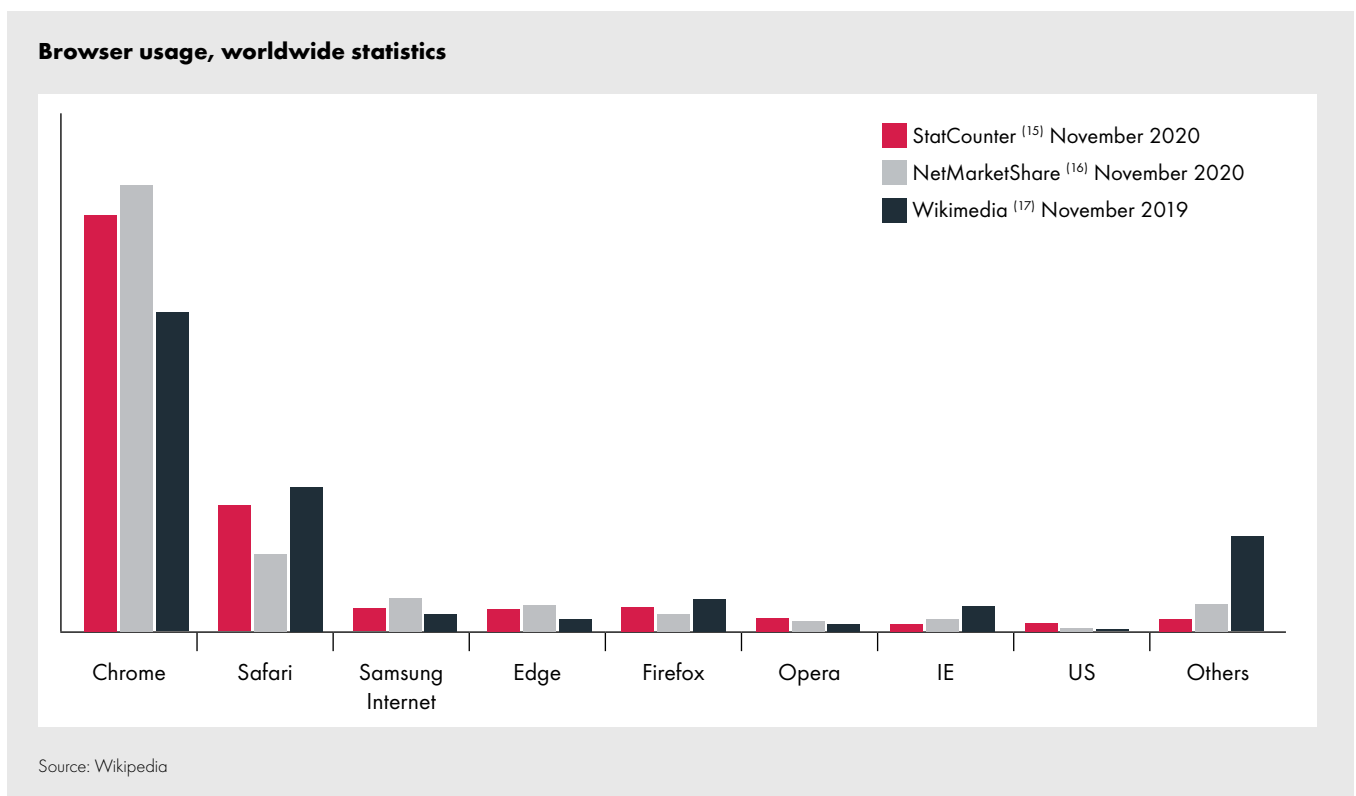


Although many companies in the space are still working to a last-click model, many of the network executives we spoke with for this report say they are looking at implementing multi-touch attribution models and assessing how they can spread value across the conversion funnel.

This is an important part of the process as it recognises the value of different conversion points, especially those further up the funnel.

As ever, the networks will work out the details with ingenuity and innovative models. It will be the process and journey that will define the companies that manage the transition to cookieless most successfully.

Jake Pollard, Report editor



Executive summary

Privacy has always been important to consumers, but when discussed in relation to online environments the topic has taken on a whole new meaning in the past 10 years; with the last 5 years in particular bringing it very much to the fore.

Whether in reference to shopping, politics or business; themes like privacy, data, consumer protection and GDPR have placed the spotlight on how merchants, advertisers, publishers and tech giants gather, store and use our data.

This refers to the likes of Facebook, Apple, Google and Amazon and how they dominate and influence so much of the online sphere. But when it comes to privacy, the issues can be applied to every online business, from merchant and advertiser to advertising network and tech solution provider.

All those companies collect reams of data and the prediction made by industry observers that user-generated content (private emails and search topics) would be Google's currency has proved largely true.

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Privacy and data have always been important, but the general atmosphere around the subject has become a lot more heated, even more so when linked to political events in the US and UK in the past five years.



No such thing as a free web

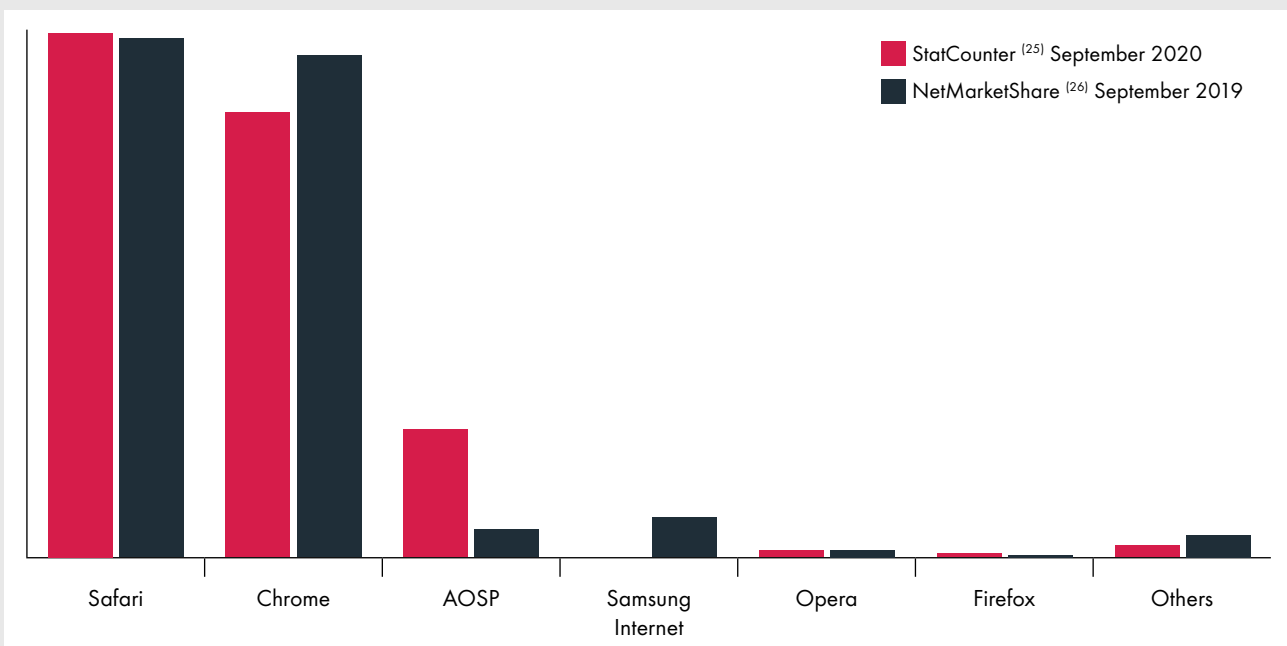
On a broader level, handing over data is the price we all pay for using the web “for free”. Of course, there is no such thing as a free web and monetising user data is how tech companies make money.

The fact that cookieless tracking has gained in prominence in the past few years should also not surprise us. It comes back to privacy and users’ concerns about how their personal data is stored, used and who it is sold to.

Apple got the ball rolling in 2017 when it announced it would not allow third party cookies on its Safari browser as a way to ensure users’ privacy was not abused. As of March last year Apple disabled third party tracking by default.

Mozilla’s Firefox introduced its own default ban on third party cookies in July 2019, but as ever, the devil is in the detail when it comes to how users will be affected by these measures. In practice, it comes down to everyday inconveniences such as users being logged out of their email accounts, having to log back into sites that they visit regularly or be served with non-targeted advertising.

Tablet browser usage, worldwide statistics



Source: Wikipedia

And with the cookies being deleted after 24 hours (or a few days, depending on the browser used), tracking companies and affiliate networks have to constantly collect 'fresh' information, placing more demands on their resources, technology and users.

Chrome vs Safari: Privacy as Marketing

The fact that Apple might use its privacy guidelines to differentiate itself from Google or Facebook is also not surprising. Apple can portray itself as a responsible corporate citizen that respects users' privacy rights, implying that Google and Facebook don't.

Google, Facebook and the like are hugely reliant on third party tracking to generate billions in advertising revenues. Apple simply isn't. Nonetheless cookies and third-party tracking are at the root of the web and e-commerce and have been around since its earliest days.

Privacy and data have always been important, but the general atmosphere around the subject has become a lot more heated in the past decade and a half, even more so when linked to political events in the US and UK in the past five years.

For e-commerce and tech companies, the debate fits into a broader narrative around the industry. From free-spirited entrepreneurs wanting to connect the world, to using and sometimes abusing the vast reams of data users (at times unwittingly) hand over, Mark Zuckerberg or Jeff Bezos are viewed very differently in 2021 to how they were viewed just 10 years ago.

With public knowledge of the issues around privacy rising thanks to increased awareness and press coverage, the General Data Protection Regulation (GDPR) by the European Union and the California Consumer Privacy Act in the U.S. have also brought the topic into the mainstream and to an extent driven industry moves towards cookieless tracking.



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See more

I agree

The 'accept cookies' button and disclaimer text that comes with it when accessing a website has had the simple effect of making millions aware of the issue and put pressure on e-commerce companies to move away from third-party tracking.

Facebook's recent update of its privacy policy and how it relates to WhatsApp users showed how important privacy has become. It led to thousands of new downloads of rival messaging apps like Signal or Telegram, with users pledging to leave WhatsApp because they were worried at the thought of Facebook having access to their chats and profile information.

This is despite the fact that the update doesn't mean profile information will be shared with WhatsApp's parent company. Rather it outlines how businesses that use the messaging service for customer service may store logs of its chats on Facebook servers. Still, it shows how sensitive consumers are to the topic.



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