# Social Media Advertising in a Cookieless World

## Video: Understanding the Cookieless Future

If you're a marketer who includes digital advertising in their content mix, you've probably been reliant on third-party cookies to help drive campaign success. And for good reason — the type of data you can gather about your audience with this form of cookie is significant, including consumer interests, habits, and browsing patterns, giving you insight that you can leverage to help make smarter decisions. But moving forward, marketers will need to shift their strategy to be less reliant on this type of data.

But before we cover why, let's back up a bit. What exactly is a cookie? And what is meant by "third-party" in reference to cookies?

A cookie is a small file containing a string of characters that's sent to your computer when you visit a website allowing that website to recognize your browser when you visit it again. Cookies set by the website owner are called "first-party cookies." First-party cookies collect data directly from your audience, whether customers, site visitors, or social media followers.

Cookies set by parties other than the website owner are called "third-party cookies." Third-party cookies are tracking codes placed on a web visitor's computer after being generated by another website other than your own. When a web visitor visits your site and others, the third-party cookie tracks this information and sends it to the third-party who created the cookie — which might be an advertiser.

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So why do sites use cookies? First-party and third-party cookies are used for several reasons. Some cookies, referred to as “essential” or “strictly necessary” cookies, are required in order for websites to operate. One example of an essential web cookie is the session cookie. It’s used to store a session ID for a user and links their actions during a single browsing session, making it possible for the user to stay logged in as they navigate through a website. This type of cookie is necessary for the website to function properly and it doesn’t store any personal information. Other cookies enable companies to track and target the interests of their users to enhance their website experience.

Here’s Molly Mitchell, product marketing manager at LinkedIn, to share more.

Molly Mitchell: *First party cookies are those that are owned and used by the website that a person is visiting, and their purpose is to benefit the user experience with the brand's website. For example, they may remember information like a username, or what items have been added to a shopping cart. Unlike third-party cookies, first-party cookies are not deemed non-essential, and are often painted as a better, more privately friendly alternative. Third party cookies are a piece of code that can be placed on a user's device from an ad tech company or domain which is different from the site that a user may be on third-party. Cookies have existed largely to support digital advertising and have been deemed non-essential. Third-party cookies have become a major focal point for online privacy, and many browsers have already made moves to block them by default, or have announced plans to do so in the future.*

For example, a company may use a first-party cookie to determine how their website is being used in order to deliver customized content and promotions to customers whose behavior indicates that they’re interested in a particular subject area. The same company may use third-party cookies for advertising, analytics, and other purposes. For example, a

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third-party cookie may alert Facebook that a company's website has been recently visited, triggering Facebook to then show an ad for that company's product.

If you've ever wondered how a social media site knew how to serve up exactly what you were searching for, a third-party cookie was likely involved.

For the last two decades, third-party cookies have enabled businesses to secure rich data on their customers, partners, and prospects. But that's no longer the case.

So, what's changed? Over the past few years, consumers have become increasingly concerned with how companies use their data and many feel passionate about protecting their privacy. In fact, HubSpot's Blog research found that 80% of consumers believe data privacy is a human right.

Because of this increase in concern, Firefox and Safari browsers have been blocking third-party cookies by default for the last few years. In 2021, Apple even introduced its App Tracking Transparency, which gave iOS users the option to stop ads from tracking their online activity. And Google has stated that by the end of 2024, Chrome will eliminate the use of third-party cookies as well.

Let's hear from Matthew Felser, head of global advertising partnerships, business engineering at Meta to learn more.

*Matthew Felser: The digital advertising ecosystem is evolving. Users are increasingly protective of their privacy on the Internet, and governments around the world passed data regulations to put people in more control of how their data is being used. Additionally, many browsers and operating systems are making technical changes to phase out the usage of third-party cookies. These regulations and technical changes ultimately limit the viability of third-party cookies as a tool for advertisers. To provide*

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*better transparency control, companies must give people visibility into how their data is being used and the ability to state their preferences regarding that data usage. They must use technologies that reflect people's privacy, choices, and they must leverage data in compliant ways. These restrictions may break the connection between data platforms currently in use across the industry which will require businesses to think differently about how they source and use data for advertising.*

So, what happens if third-party ads go away? Ad-tech vendors have done a great job putting a bit of fear into the hearts of marketers and advertisers who have relied on third-party cookie technology to retarget ads to users after website visits. But is it really all that bad?

Let's look at it this way: Have you ever had the experience of buying an item and then afterward seeing tons of ads for that same item in all your Instagram, Tiktok, and Pinterest feeds, not to mention on every website you visit? This happens when companies use retargeting, a tactic that relies on the use of third-party cookies. Retargeting works great when a user is browsing for something because they see it more often. It takes advantage of a specific type of bias we have as humans, the Baader-Meinhof Phenomenon, otherwise known as a frequency illusion or recency bias, a situation where something you recently learned about suddenly seems to appear everywhere. And of course, the more you see the item, the more popular it seems, and the more you might consider buying it.

But retargeting isn't so great when it results in over-targeting, giving consumers the sense that they're being tracked and stalked wherever they're browsing. Over-targeting can be

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even more annoying if third-party ads are shown to someone who might have randomly browsed an item without intent to purchase. It can lead to lowered brand trust, and many consumers end up installing ad-blockers to eliminate ads entirely.

Molly Mitchell: *It's not bad that the industry is moving away from third party cookies. Consumer trust is critical to ensuring a healthy digital ad ecosystem, so it's not bad in that sense. These changes provide immense opportunity for the ad industry to come together to develop new standards and solutions that facilitate a healthy ad ecosystem for advertisers with consumer privacy at the forefront.*

Eliminating third-party ads has other benefits to businesses as well. A few years back, JP Morgan Chase analyzed their ads and determined that advertising broadly across 400,000 sites had the same effectiveness as advertising on only 5,000 pre-approved sites. This determined that many of the sites didn't have real people using them in a natural way. By focusing on sites with real publishers and actual human audiences, they had better outcomes and were able to  dramatically cut costs.

But what does this mean for marketers? For the most part, these changes are a huge win for consumers and their personal privacy. But it's a massive blow to marketers who had traditionally relied upon these tracking methods to map a potential customer's buying journey and serve up relevant ads across the various web and social media platforms the customer might traverse.

That means marketers need to come up with new ways to understand and connect with their potential customers. Additionally, with the heightened focus on privacy, data security has become a critical component for long-term customer retention and loyalty, so it's vital

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that brands behave responsibly when it comes to collecting and protecting consumer data.

The good news is that marketers have a variety of old and new tactics that they can tap into. Information about website and social media audiences will still be available as first-party or second-party cookie data. There are also new opportunities for brands to connect through the use of artificial intelligence, machine learning, contextual advertising, and conversational marketing.

In the future, marketers and advertisers will need to rely on cookieless tactics to target and reach their audiences. Fortunately, this new, cookie-free world can ultimately result in better user experiences for consumers. And that may lead to heightened customer loyalty, stronger word-of-mouth, and a better bottom line for your business.

## Video: Alternatives to Third-Party Cookies

If you've been relying on third-party cookies for your advertising, it may feel daunting to switch to other alternatives. In fact, when asked about the upcoming removal of third-party cookies, 41% of marketers believe their biggest challenge will be their inability to track the right data. In a world where privacy is becoming king and 72% of Americans say they feel anxious about being tracked online and what's done with their information, you'll need new trustworthy ways to satisfy your customers' needs for protection and meet your marketing goals. But don't panic! There are a variety of possibilities available that can help you reach new audiences. Let's walk through them.

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The first option is to take advantage of zero-party data. Zero-party data is data that a customer shares with a brand voluntarily, by filling out a survey or answering a quiz. This allows consumers to make informed decisions about their information by knowing who has it and how the company will handle it. For example, with quizzes, you can turn the dry process of zero-party data collection into more of a game. By asking the user a collection of specific questions, you can target your product ad specifically to their needs and collect personal information such as emails or phone numbers, but also details relating to habits, lifestyle, or purchasing interests.

For example, Proven skincare has a quiz that allows customers to get a personalized skincare regimen formulated for them based on their skin type, life, and environment. Users answer questions that not only help the brand help them with their skin care, but also help the brand discover customer interests. At the end of the quiz, users receive a response including the type of skincare regimen that's best for them, along with an ad for a product subscription.

With quizzes, users are giving marketers all the information they need to push them personalized offers and convert them into paying customers. Check out the resources section for five survey templates you can use to brainstorm quiz ideas.

Next you'll want to tap into your first-party data options. First-party cookies aren't going away. With a first-party cookie, you can learn about what a user did while visiting your website, see how often they visit it, and gain other basic analytics that can help you develop or automate an effective marketing strategy around them. However, you can't

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see data related to your visitor's behavior on other websites that aren't affiliated with your domain.

Ever wonder how Amazon always remembers your login information, the language you speak, the items in your cart, and other key things that make your user experience so smooth? This is because Amazon uses first-party cookies to track your behavior across its site and to remember these basic details.

Here's Matthew Felser, head of global advertising partnerships, business engineering at Meta to share more.

Matthew Felser*: First party cookies have many benefits to advertisers. They allow businesses to analyze actions taken on their website which can help provide a deeper understanding of audience behavior, needs, and preferences. This knowledge can help you deliver more personalized ads with improved brand messaging and stronger calls-to-action.*

First party data can be used in conjunction with advertising on platforms such as Facebook, where you can upload your data to target users. You can gather this type of data by building your email list, and running lead generation ads on TikTok, LinkedIn, Facebook, and Instagram.

With this type of  data, you can target look-alike audiences on those channels to reach a wider audience.

Next is second-party data**.** Second party data is information you didn't collect yourself — in other words; you're using it secondhand. Businesses often get it by working with a trusted partner that shares audience insights in a mutually beneficial relationship. For

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example, a software company working with an agency partner to re-sell its products might share its first party data with the agency to use as second party data to target and attract new clients. However, while it's certainly faster than collecting it yourself, it's riskier, as you can quickly spend a lot of money on data that may ultimately prove to not be useful.

First and second party data are used in the same way: to create ads, nurture leads, and remove friction within the sale process.

The difference is that second party data can offer you a new perspective on your customers. You may uncover trends or patterns you overlooked or didn't include in your own search, helping you spot customer needs or interests that you can further incorporate into your business processes and products.

The most common way to use second party data is through contextual advertising. This method involves displaying ads based on the site's content. For example, you might place an ad for running shoes to appear on YouTube videos related to running, or on TikTok and Instagram posts with running-specific hashtags. Contextual targeting works by assuming someone looking for information about running will probably be interested in buying running shoes. Contextual ads can be highly effective. In fact, Research by neuro analytics company, SPARK Neuro, found that contextually relevant ads generated 43% more engagement and two times more ad recall.

Let's learn more about this from Molly Mitchell, product marketing manager at LinkedIn.

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Molly Mitchell: *Contextual advertising is a form of targeting that is driven by the placement of an ad, typically targeting adjacent to content that resonates with the brand or the brand's target audience. Now, contextual advertising is not a new solution, but it has certainly seen a resurgence and importance as part of a targeting mix, and for a simple reason. As individually addressable audiences become harder to find in both scale and quality, contextual and other non-audience-based solutions are going to become increasingly important to leverage. For example, LinkedIn is ground zero for professionals, and rooted in a professional context, making it an important place to be for B2B brands. You want to interact with those who are sharing and engaging in a professional capacity.*

You can also continue to rely on audience targeting across your social channels. Audience targeting is a method of separating consumers into segments based on interests or demographic data. Fortunately, most social media sites have access to this data to help you best target an audience on the platform. You can use audience targeting to formulate campaigns that will align directly with consumers' lifestyles.

Helpful demographics to consider are age, average income, interests, location, and gender. Other considerations that can be helpful are psychographics — values and motivations that impact a consumer's buyer's journey.

Audience targeting ensures you're using your marketing resources and time in the right places, and for the right people. Another benefit? You won't have to waste ad spend on audiences that won't deliver high ROI.

Real-time marketing is another option. This is when you match your ads to current events that your customers may be interested in. For example, if you sell a form of business

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software, you might want to run social media ads on hashtags during a time that corresponds to a specific industry trade show your customers and prospects might attend.

Geotargeting is another option that's suitable for social media advertising. Most of the social platforms offer the ability to target users based on their location. You can potentially target individuals that live or work near a certain location, who were recently visiting or living in a location, or who may be within a certain distance from the location. For example, a news station may use geotargeting to serve ads on Instagram to individuals that live in the same town where the station is located. For example, this particular ad for The Moth was shown to me by news station WBUR because I live in the area, and I'm a user who is interested in literature and the arts.

Matthew Fesler: *Geotargeting leverages location data to deliver ads based on a person's country, city, language, weather, and more. This type of targeting allows you to provide personalized content to a targeted audience without needing to access or transfer personal information.*

As you can see, there are a number of great options for reaching your customers without relying on third-party cookies, many of which may provide you a better return on your investment through targeting options more specific to your customer.  Best of all, most of these targeting options require you to keep your buyer persona in mind. When your customer is the heart of targeted ads and content, your marketing materials will have a better chance of driving a high ROI for your business.

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## Video: Cookieless Advertising Across Social Platforms

With the shift to depreciate third-party cookies by Apple and Google, social media platforms have had to adapt their own systems to best help advertisers deliver successful ad campaigns. In this video, we'll walk through how some of the key social ad channels are thinking about the future of advertising without cookies.

While many of the social media platforms offer some form of first-party tracking pixel or API for advertising, we find that the majority of business users are relying on Meta or LinkedIn to drive the bulk of their social media advertising.

Let's start with Meta, which encompasses the Facebook, Instagram, and WhatsApp platforms. Meta is urging its advertisers to use its conversions API which is designed to create a direct connection between marketing data and the systems which help optimize ad targeting, decrease cost-per-action, and measure results across the Meta platforms. Directly connecting your marketing data with the Meta platform through the API will help power ad personalization, optimization, and measurement so your ads are shown to people who are more likely to find them relevant.

Here's Matthew Felser, head of global advertising partnerships, business engineering at Meta, with more.

Matthew Felser: The *Meta Conversions API helps you adapt to the advertising ecosystem changes by offering better control to respect regional regulations and users' privacy purposes, and it helps you adjust to a change in limitations, and browser and operating system policies. This reliable, controllable connection can also help businesses performance by reducing cost, correction, improving measurement, improving lead quality, and improving targeting capabilities.*

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By using the Meta API you may reduce your cost per action as a result of improved connectivity. Since you're connecting your marketing data directly, you're less likely to experience browser slowdowns and disconnections. You may also optimize ads for actions that happen later in the customer's journey.

Matthew Felser: *With Meta Conversions API advertisers can send a wider variety of data in the pixel, including post purchase events that might happen outside of your website, such as recurring subscription payments and lead conversions. This data helps you use Meta tools to show ads to users that are more likely to generate valuable outcomes for your business.*

You may also improve measurement of ad performance and attribution across your customer's full journey, from discovery to conversion. This helps you better understand how digital advertising impacts both online and offline results. And you can reduce your cost per action as a result of increased event matching. In the conversions API, you can specify additional customer information parameters that help increase how Meta matches data and users across its social platforms.

Matthew Felser: *Data from the Conversions API is delivered more reliably than data sent from a browser pixel when you're alongside a pixel. This more reliable connection can increase attribution, which helps our delivery system to decrease your cost per action, and helps you measure the results of your marketing.*

You can also increase data control. When implemented separately from the pixel, the conversions API gives you more control over what you share and when you share it.

There are a number of ways to connect your website or server to the Meta Conversions API.

Matthew Felser: *There are currently three ways. Brands can connect to Meta's Conversions API. First, they can choose to work with one of our 50 plus partners that*

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*support the Conversions API today. Advertisers can leverage these partner integrations to pass data instead of having to establish a connection on their own. The second option is to develop a Conversions API integration themselves. This direct implementation will give the brand additional control of the data. They pass back, but it does require development resources. The final option brands have is the Conversions API gateway. This is a piece of software, written by Meta, that runs on Amazon Web Services (AWS) and passes your browser pixel data through the Conversions API. This is a code-free method, but it does require the advertiser to pay for AWS.*

As Matt mentioned, if your website runs on one of Meta's partner platforms, such as HubSpot, you can easily set up your Meta pixel and conversions API in the Meta Events Manager. Using a partner integration is quick, easy, and requires no editing to your website's code. If you're using HubSpot to manage your ads, check the resources section for a link to instructions on how to connect your data to the Meta Conversions API.

Meta also offers lead ads for advertisers looking for cookieless ad options.

Matthew Felser: *By incorporating leads into your digital advertising strategy, you can find people who may be interested in your business and collect information from them using a native form on one of Meta's platforms. Companies are able to request contact information from potential customers, such as name, email, address, phone number, and more. These forms also allow you to include custom questions to help you understand your potential customers which is key in a cookieless world. Companies can use lead ads to identify potential customers for the business, encourage them to download brochures, opt into a mailing list or enroll them in programs.*

Let's look at LinkedIn next.

LinkedIn offers its own conversion tracking which allows you to:

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- Track conversions and optimize your campaigns automatically.
- Get more leads and conversions by retargeting your website visitors.
- Learn about who's engaging with your brand with exclusive audience insights.

LinkedIn conversion tracking works through the placement of either a lightweight, JavaScript, insight tag on your website pages, or by installing event-specific tracking code on individual conversion events (for example, a button or a link) that you'd like to track.

Here's Molly Mitchell, product marketing manager at LinkedIn to share more.

Molly Mitchell: *Conversion tracking helps marketers better measure results and optimize campaigns by measuring the actions a customer takes after clicking on an ad. Given B2B buying journeys take place both online and offline, our conversion tracking products are designed to be used together to provide a comprehensive view to advertisers. Connecting customer actions back to LinkedIn campaigns allows advertisers to understand how their campaigns influence their ROI and key business outcomes.*

*To prepare for a cookieless future, we have made many enhancements to our conversion tracking products so we can provide customers with insight into how their campaign is performing while enhancing member privacy. For example, data for conversion attribution is processed directly on device rather than sending third-party information to a server. And we also use differential privacy to further enhance individual anonymity. Differential privacy is a type of privacy-enhancing technology that essentially injects a layer of noise into the data set to extract aggregated insight while helping protect individual level data. To capture as many conversions as possible, we are using models to measure conversions in place of using third party individual level data. And our insight tag collects conversion data through first-party cookies. And last, our offline conversions and conversions API are also wholly cookieless solutions.*

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You'll also be able to take advantage of what LinkedIn calls "Group Identity for B2B." With "Group Identity for B2B," the site leverages first-party data to group members together based on shared professional identity attributes, such as seniority and industry. This process helps you reach your intended audiences across channels, like the LinkedIn Audience Network, without the need for individual-level tracking across sites.

Molly Mitchell: *Group Identity is LinkedIn's proprietary privacy-enhancing identity solution that puts our unique first-party B2B data set to work for advertisers. It works by grouping members together by shared professional traits, such as industry, title, seniority, and more, to help with ad delivery and measurement. Importantly, it does not rely on individual trackers, and it's a wholly cookieless solution. It's proven effective on the LinkedIn audience network and connecting brands with professional audiences wherever they are. When testing Group Identity, we observed up to a 37% higher average click through rates on group delivered campaigns across channels compared to those that targeted individual profile characteristics. Group Identity is one of many steps we are taking to provide an effective ad experience for our customers on enhancing the privacy of members. We're going to continue to iterate and involve the solution along with the privacy we will continue to iterate and involve the solution along with the changing privacy landscape.*

Setting up offline conversion tracking can be done by using a CSV template and uploading your data into your LinkedIn Campaign Manager. This can be time consuming and requires regular updates to your information. For best results, LinkedIn recommends doing this daily.

If you're using a LinkedIn marketing partner, this process can be automated and your data will be uploaded and updated in the Campaign Manager in near real time. If you use HubSpot to manage your LinkedIn ads, check the resources section for a link to instructions on how to set up the insight tag and LinkedIn conversion tracking.

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Molly Mitchell: *There are many advantages for a brand to work with a LinkedIn marketing partner. Partners are an extension of our ecosystem. So, working with a marketing partner makes the brand even stronger and more efficient with their media strategy. Partners provide specialty tools to build professional communities on Linkedin, launch and manage campaigns to centralize and optimize leads to the full funnel experience, create audiences and provide robust analytics along the way to ensure you are maximizing ROI. Today one in five marketers on LinkedIn are leveraging a LinkedIn partner to meet their objectives, and 100% of top brands advertising on LinkedIn use one or more partners to drive value for their business.*

While marketers might not be able to track their customers across the web for much longer, there are a myriad of options available to help you successfully make the shift to alternative tracking methods for your social media ad strategy.

You can gather first-party data, then use that to target your ads. You can better track how users move through your funnel using UTMs. Targeting by location, demographics, or interests will still allow you to target users in your target audience.

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