

The demise of the third-party cookie and the rise of first-party data

How marketers can prepare for the future

The future is first party.

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The demise of the third party

Brands have leveraged cookies for years to track website data, better target their ads and content and improve customer experiences. Apple's Safari and Mozilla's Firefox have phased out third-party cookies. Google reversed its decision to do the same with Chrome, giving users the option to disable them across their web browsing and revisit their choice at any time.

Amid an industry reckoning around privacy, organizations worldwide are re-thinking their data collection strategies to increase conversions. In a recent survey, [75% of marketers noted they were still very or moderately reliant on third-party cookies](#). Marketers have had four years to prepare for this point, but are they ready?



A short history of the cookie

The cookie was invented in 1994 by Lou Montulli, an engineer at Netscape looking to improve the memory of websites. He hoped to create something to help websites remember users that could not be used for cross-site tracking. However, by the mid-1990's, ad-tech firms had figured out how to employ cookies to track users across the web. A multi-billion-dollar digital advertising business was born.



Debunking myths around the digital cookie

1. Third-party cookies were the pinnacle of accuracy

The reality is that third-party cookies always painted an incomplete picture. Clearing the cache, sharing a browser with family members and ad blockers all decreased their effectiveness. Marketers became reliant on third-party cookies because they were a quick and easy way to target campaigns.

There is some debate about whether ads using third-party cookies add value. However, a University of British Columbia paper published in 2016 found that under the right circumstances, people are 2.7% more likely to make a purchase when ads use cookie tracking.

2. Digital advertising will decline

This is highly unlikely. Nearly 60% of the global population accesses the internet, translating into approximately 5.45 billion current users, according to the website [Statista](#). By 2027, [Statista predicts](#) digital ad spending will reach \$870.85 billion.



The path forward: drive better customer

The future of marketing depends on creating experiences that revolve around customers. By 2025, [Gartner predicts](#) that 40% of physical experience-based businesses will improve financial results and outperform competitors by extending into virtual paid experiences. Now is the time for organizations to invest in the collection, management, governance and quality of first-party data.

First-party data collected directly from customers is the most reliable way to identify an audience. It can help businesses understand how prospects and customers engage with a brand, their journey to purchase and the best way to reach them.

In a [January 2021 survey](#), 42% of US data professionals planned to increase spending on the use of first-party data in response to the demise of third-party cookies. But can marketing leaders make that happen? Here is a primer on getting started:



**DATA DRIVEN
MARKETING**

The path forward

1. Add a customer data solution into your marketing mix

Customer data solutions are becoming an indispensable tool in the modern martech stack. In an [Advertiser Perceptions study](#), 89% of US marketing tech decision-makers reported that customer data platforms led to significant or some improvement on online sales, with 92% also citing significant or some improvement in ROI.

[OpenText™ Customer Data](#) enables brands to create a single view of their customers by centralizing data from disparate sources. It helps marketers improve personalization and increase conversion rates through improved targeting and segmentation. Integrated with Google Marketing audiences, OpenText Customer Data gathers valuable segment and audience data in real-time – allowing businesses to deliver the right interaction at the right time, in the right place and the right context. Using a customer data solution helps marketers create re-targeting campaigns to help activate customer segments for continuous engagements across web, email and SMS. It also provides enhanced customer acquisition analytics, allowing marketers to understand ROI across campaigns and unify cross-channel efforts.

OpenText Customer Data integrates with OpenText™ Web and OpenText™ Communications to provide a cohesive experience while continuously enriching customer profiles.



The path forward

2. Become a purveyor of personalized experiences

Marketers often miss the mark in creating truly personalized experiences.

According to [Salesforce](#), 52% of customers expect personalized offers and 66% expect companies to understand their unique needs, yet 66% still feel they are treated like numbers. [Statista](#) reports that 90% of US consumers find marketing personalization very or somewhat appealing.

However, marketers often find their personalization efforts coming up short. A [2019 Infogroup survey](#) found that 93% of US internet users reported they were not receiving relevant marketing communications and almost 90% were annoyed by irrelevant messaging. Interestingly, 44% of respondents said they would switch to other brands that did a better job with personalizing content.

An Enterprise CMS such as [OpenText Web](#) helps create personalized content for [targeted audiences](#). In addition to serving up different content based on a referring site, businesses can easily create highly personalized experiences for known users. Providing customers with tailored offers can help boost overall conversion rates.

Using a customer data solution creates opportunities to elevate the customer experience with point in time personalization. Tap into machine learning to generate individual user attributes such as lifetime value (LTV), customer acquisition value (CAC), propensity scores and churn risk. These values can then be used to create highly personalized customer communications and support, offering the right message, at the right time and in the right context.



The path forward

3. Elevate your customer communications

Email marketing pays off. Real-time welcome emails see 10 times higher transaction and revenue per email than batched welcome mailings.¹ Marketers are building on their email marketing programs, experimenting with enhanced personalization, testing, measurement and acquisition. But with inboxes growing more crowded, is messaging the next frontier?

More than 91% of customers want to receive text messages from businesses². Consumers rate appointment reminders, a shipping or delivery status update and a booking confirmation, change or cancellation as the most valuable text messages received from businesses.

Managing omnichannel communications can quickly become complex. Customer communication management software such as [OpenText™ Communications](#) can help transform regular messages into highly-personalized, engaging experiences across all digital and print channels. OpenText Communications enables businesses to reach customers through their preferred channel and on their preferred device.

With a pre-built integration to OpenText Communications, OpenText™ Core Messaging supports all communication channels including email, SMS, WhatsApp, push, voice and fax in a single solution to help personalize and deliver messages to individuals via their preferred channel.

Customer communications are vital in a cookie-less world. Brands need to earn trust and an integrated approach to marketing and communications is crucial to success.

1. Experian Welcome Best Practices Guide.

2. Attentive 2023 Global Consumer Survey Report.



The path forward

4. Win with authenticated experiences

Take personalization to the next level by providing ultra-custom digital experiences for known users. Are there templates available that solve an analytics challenge? Engaging webcasts with highly sought-after industry experts? Can business solve a customer challenge or pain point via log in? For example, entice them to sign in to register their products to help manage warranties. Or provide new customers with targeted offers based on a recent purchase and create targeted campaigns to win new business with related products based on the stage of their journey. OpenText Web can help build and manage authenticated portals for customers to provide even more value.

Choosing a platform that helps you make data-driven decisions is the most important step forward. [OpenText™ Experience Cloud](#) will enable your brand to confidently say goodbye to third-party cookies and unlock customer data.



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