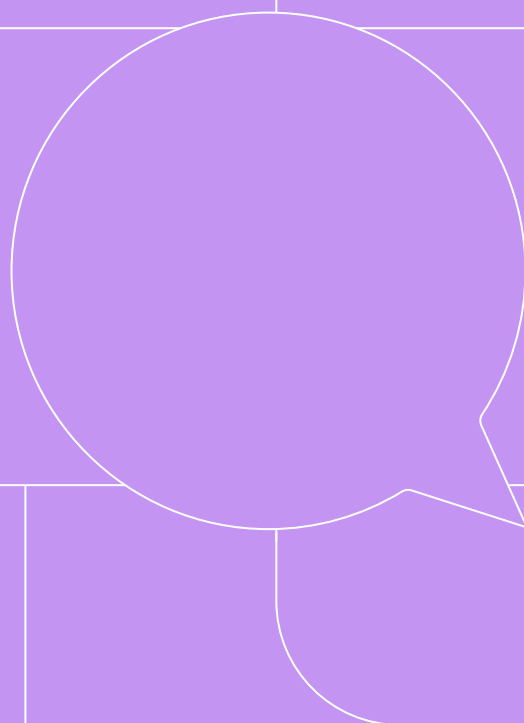**A White Paper from Ingager**

A new paradigm within paid social.

Inspiration, insights and knowledge

Ingager is a result-focused organization and we believe in the importance of constantly learning and developing. Our ambition with this brief paper is to highlight some information sources that we find valuable.

We hope that you'll find inspiration from this paper for your continuous learning path.

Evaluate your attitude towards data

For years, cookies have been the backbone for tracking website visitors from across the internet. The use of cookies has enabled digital marketing to reach a whole new level in terms of targeting, tracking, and optimization. It has been a golden era for digital marketing. This era is about to end as both law-makers and digital platforms are taking steps to meet the increased focus on data privacy. Most of the world's internet users and digital customers of today are aware that their digital footprints are a vital part of marketing. The increased knowledge of the mechanisms in digital marketing, in combination with regulations such as GDPR, have created a new landscape. In the current landscape a new trend has emerged where some users have become reluctant to leave digital traces. This trend has the potential to not only decrease the willingness to share data but it can also result in a badwill for the digital platforms and web pages that are collecting the data.

Digital advertising platforms such as Meta, Google and others are obviously concerned over this trend since it points towards a direction where their current business models are exposed. Losing access to a valuable tool for digital marketing operations, i.e. user data, challenges the existing benefits with digital advertising. Going forward we will discover how all digital platforms need to find different technical solutions to adapt their advertising operations to the new conditions. Technical solutions are only one part in a successful adaptation to the trend previously described. When users and customers are experiencing that they lose trust regarding the way their data is managed, used and stored is it essential to proactively build trust with the users of your platform or web page. Creating solutions for data collection is one thing, in addition is it crucial that trust is established, and maintained, among digital users. One requirement going forward from digital platforms are to acknowledge the fact that users are concerned about data collection - and build trust among their users. This is a long-term game, requiring continuous communication.

Why is this important now?

After years of smaller steps towards a world with limited access to third-party cookies, was it Google's announcement in the first days of 2024 that strongly indicated that big changes were about to take place. Early January 2024 did Google announce their plans to phase out all third-party cookies in Chrome by the end 2024. The decision from Google to move forward with this plan is something that will affect the way many marketers execute their digital advertising, including Ingager and our clients. The discussions, debates and preventive actions from various companies started years ago. You can argue that as Chrome also pushes back on third-party cookies is the final decision that makes an imperative difference. Already in 2017 did Safari, as the first major browser, block access to third-party cookies, and since then has there been an ongoing debate on how browsers should position themselves in the question. Firefox followed Safari's example only a year later, resulting in two of the most well-known browsers in the Western world had dis-enabled the use of third-party cookies. If Chrome actually follow through with their communicated decision will the access to third-party cookies be close to zero.
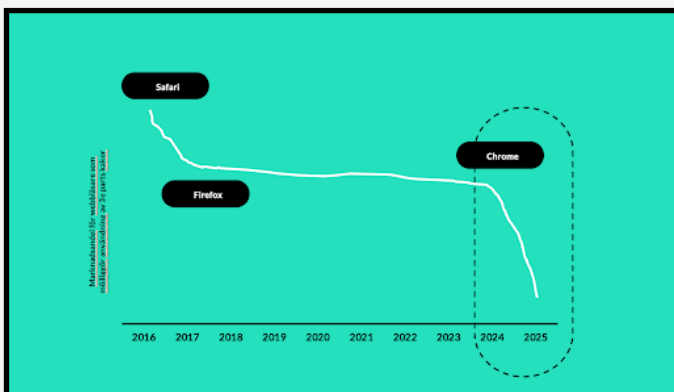
Does cookie data make such a difference?

Many years ago, when the Internet was a new phenomenon, not many outsiders understood how "the internet companies" were to make any money. The years went by and the number of internet users grew massively. Digital platforms manage to invent new ways to benefit from all the data that was created. Eventually the money making part was no problem for the successful digital platforms. The combination of access to endless amounts of data tools to benefit from the data in terms of advertising became a success. Digital advertising and marketing is still amazing, even if we today are used to having the ability to be precise in our communication. The capacity to target ads very precisely and also follow the customer journey has revolutionized marketing. There is a flip-side to the opportunities that third-party cookies offer, which involves users rights to privacy on the internet. The discussions on data protection and users rights to digital privacy and integrity is not something that suddenly appeared. In a way the discussion started to get more attention back in 2016.
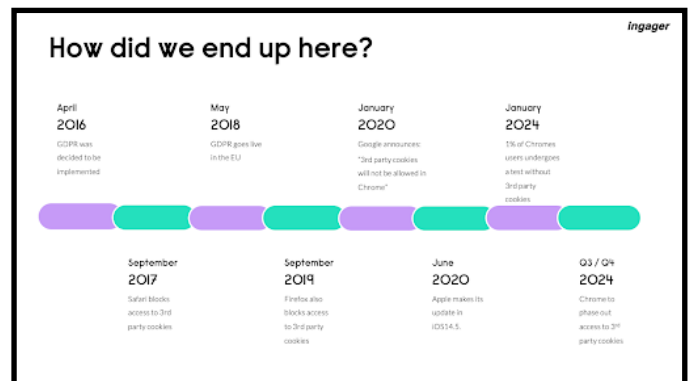
Much of online advertising and marketing as we know it is powered by cookies. These little packets of code allow brands and companies to track the online behaviors and habits of users and customers across the web and serve them personalized ads. Most brands and agencies have set up their digital marketing operations relying on the data gathered by third-party cookies. More than 8 out of 10 marketers are depending on data from third-party cookies to inform their campaigns and advertising, building both awareness, leads and sales.

> *8 out of 10 are depending on data from third-party cookies*

Cookie data have had a vital part in enabling digital marketing to do its magic. Digital marketing involves using both first-party and third-party cookies to help brands understand who is interested in what their business offers to the market. Where are potential customers coming from and which audience should brands target their digital ads to? These are examples of questions where first-party and third-party cookies are useful. Digital marketers and brands will continue to have these questions but the answers will likely come from a different source. Yes, the conditions are about to change, this does not mean the end of the world. There is no need to panic but it is important to understand the implications of the changes. If understood, will brands comprehend what is required to adapt. Solutions to manage the loss of access to data have been presented by all major digital platforms. There are technical tools that will help advertisers to adjust their digital marketing, tracking and targeting. In addition, advertisers should also prepare for a long-lasting solution regarding data collection and data management. Before discussing solutions, let's take a look at what cookies actually are?

A few lines of code makes all the difference

Cookies are small text files that contain unique information that identifies your computer to a server. They have been around almost as long as the internet and were invented to streamline your experiences online. In the early days of the internet, cookies were created to make users' online activities smoother and make internet experiences better. The original purpose had positive intentions but over the years has the use of cookies been debated since users potentially can experience that their data is being mis-used. In order to better understand the concern over cookies we should start with getting to know cookies a bit better.

There are two types of cookies:

- **First-party cookies:** first-party cookies are created by the website you visit, and the data isn't shared with other websites or advertisers. This type of cookie aims to improve your experience on a website, remembering useful information such as what language you speak, your personal information for filling out a form or what was in your basket previously.

- **Third-party cookies:** third-party cookies are a tracking code placed on a domain (the name of the website you type into your browser) to collect data on your website activity. They learn about your online browsing and behaviors. Unlike first-party cookies, this data is shared across third-party domains via a tracking code. A common example of how this works is to imagine you recently looked into going to the theater. You looked on several websites and checked out some reviews, but ultimately decided against going.

A few days later, you find yourself being shown ads for theater shows across your social media platforms. Coincidence? Think again. Your browser would have stored a cookie relating to theater shows and is now using this data to show you targeted advertisements.

Attention shifts

Internet usage has over the years grown to unprecedented levels. As many move parts of their lives online has there also been an increase in the knowledge among users on the value of their digital footprints. Most users understand that their data is being used by brands trying to catch their attention, sell something or download an app. But there is more to this since governments have increased their focus on safeguarding users' digital privacy rights which has accelerated the debate even further. Digital platforms such as Meta, Google, TikTok acting within this sector have either been willing to act, or felt that they must act, in regards to the topic. All major digital platforms, and web pages collecting data, have made some kind of effort to acknowledge the importance of protecting user data. The lion's share of digital users and customers have during the last few years been paying more attention to digital privacy in general and the major brands and platforms have had no other opportunity than to adjust to these new expectations. As with most things in life there is not one single event or parameter which creates a situation to happen, same goes for this case. Reading this far have you most likely understood that there are several factors which intersect and highlight the topic. Yet, it is necessary to point out that the increased awareness among digital users probably has played a big role when it comes to the importance of privacy on digital platforms. When a demand has been established is it required for the market to follow.
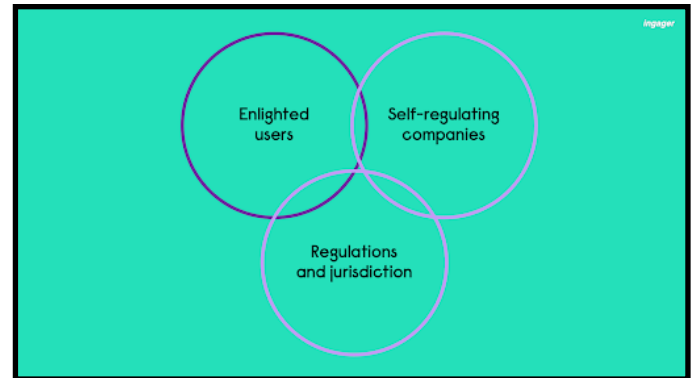

What will happen when third-party cookies are gone?

Most parts of our future are unknown, same goes for the overall effects of changes in access to data. Given that future conditions are unknown we must explore ways brands and advertisers can prepare for the removal of third-party cookies. In addition we also need to redefine the way they collect data to deliver an engaging, creative and personalized customer experience. Despite the fact that many users see privacy as an important topic, most of them have also grown used to the benefits of personalized content and communication. Brands and advertisers find themselves in a tricky situation. The access to data will be limited but digital users still expect that content sent to them is as relevant as they are used to. Expectations are based on historic experiences when targeting was empowered by data from cookies. The capacity in digital advertising, post-cookies, must meet the requirements from the cookie era.

For everyone involved in digital marketing, is this a topic that requires our attention so we can prepare for a world where some of our most used tools will be gone. The downside for marketers is that they lose some of the magic in digital marketing as tracking and targeting must be done in new ways. The upside is that everyone is required to adapt and that the adaptation actually can provide new benefits for advertisers. No matter how you look at this, it is important to accept that things will change.

Once these cookies are phased out, conversion reporting will be less accurate. This is the step a user takes towards a purchase, such as a trial, a sign-up, or actually buying a product. Conversion data can track the effectiveness of your campaigns and help you to plan for the next one. Third-party cookies track these conversions by linking together a user's activity on different websites.
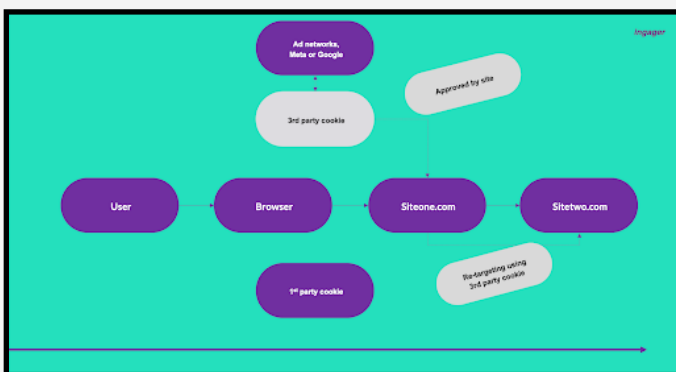
Without third-party cookies, your conversions will not be tracked as accurately and won't show up in your ad placements anymore. They will instead be replaced by 'machine-learning generated estimates'.

Behavioral audience building could also become restricted. This technique uses data from third-party cookies to create user groups with similar behaviors and interests. This is commonly used within targeted advertising to ensure your products reach the right audience.

While phasing out third-party cookies undoubtedly poses a significant challenge, it also offers a chance to connect and engage with audiences in new and creative ways, while fostering a greater sense of trust, transparency and credibility in how brands and marketers gather and handle customer data. In a web without third-party cookies, it is brands and marketers that are able to adapt and innovate how they collect valuable data and how this informs their campaigns that will come out on top.

As privacy measures and technology advancements reshape the marketing landscape, accurate conversion tracking remains crucial for optimizing ad campaigns and maximizing ROI. Conversion data is the life blood of your marketing campaigns. It provides valuable insights into customer behaviors, identifies effective marketing channels, and guides budget allocation. As we lose visibility from privacy and other changes, the strength of your signal to ad platforms declines and campaign performance suffers.

Time to be proactive

There are two ways brands need to adjust their tactics and strategies. Short-term are there solutions to maintain a high degree of accuracy in relation to tracking events and conversion. Instead of using data registered in browsers will all the big social media platforms use server data. The solution is called server-to-server but has also been given various names by different platforms. This might sound very advanced but since it is in the interest of the platforms to have this installed, much effort has been going into building user-friendly solutions. It does require having someone who knows how to access your server but once set up correctly is it a great solution.

Ad platforms will still need data to work effectively, and without third-party cookies, server-side tracking will increasingly fill this void, while complying with necessary privacy laws and requirements. With server-side tracking, data flows directly from websites to ad tech servers such as Google and Facebook, dispensing with the need for third-party cookies.

With the disappearance of third-party cookies, conversion APIs are a great option. These are set up on your server and allow you to send 'events', such as clicks on a contact form, directly from your server to third-party advertising platforms. As the data is on your server, you own it all – unlike a web pixel, which is client-side. This also means your conversion API is not limited by third-party cookies or browser settings.

How can this work?

Server-to-server tracking avoids the use of cookies by creating and storing a unique identifier when a user clicks a tracking link or generates an ad impression. If that user later converts, that unique identifier is matched back to the individual user via your server so you can better assess how your marketing has performed.

In other words, instead of using a traditional cookie for tracking, server-to-server generates a unique ID when the user clicks an ad or a link. As the user continues on their customer journey, and completes an eventual conversion, this unique ID can be used to track and attribute the conversion to initial click.
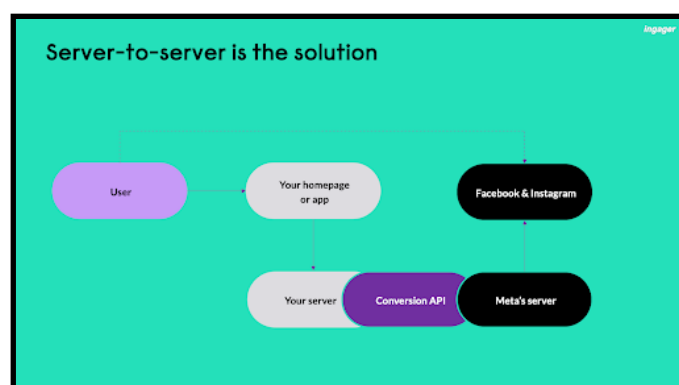
Ingager has been implementing server-to-server solutions to nearly a hundred clients by now and our experience is very positive. Meta has named their server-to-server solution Conversion API (CAPI), a name adopted by all the other platforms. Except TikTok that calls their solution Events. Regardless of the name, does Ingager find the solution very useful. CAPI appears to be a more robust solution compared to the Pixel. On average have Ingager been able to register 20%-30% more conversions compared to when using the Pixel. Using server-to-server is not only the best way to adapt to a world without third party cookies, it is also an improvement for your measurement.

Upsides using Conversion API

- **Accurate measurement:**
  It improves the accuracy of conversion tracking by allowing advertisers to supplement existing conversion tags (the Meta pixel) with privacy safe hashed first-party customer data from websites.

- **Flexible tracking:**
  It allows advertisers to track web, app, and physical store events to enhance your overall customer data.

- **Improved privacy:**
  It respects user choices while still capturing some campaign insights. Even when a user doesn't consent to ads or analytics cookies, you'll still be able to attribute a conversion some of the time to help understand that a Paid Social campaign is actually working.

- **Recover conversions:**
  The Meta Conversions API improves data accuracy by enabling conversion modelling to recover conversions lost to user consent choices. When consent choices fully block tracking, machine learning is used to model the number of conversions you can't track.

  The Meta Conversions API can help advertisers improve the accuracy of their conversion tracking and gain more insights into their campaigns. It also allows advertisers to respect user privacy and recover conversions that would otherwise be lost due to browser restrictions.

Using first-party data

With third-party cookies rapidly becoming a thing of the past, it's time to rethink how we collect data to deliver those personalized, engaging experiences that drive improved performance of your advertising campaigns without turning audiences off. Perhaps it is a good thing with Chrome taking away the access to third party cookies. Otherwise we've reached a point where users would've gotten sick of intrusive ads. They value their privacy more than ever. So much so that 58% of respondents in a European survey described ads served to them through third-party cookies as "too precise" and "scary". Marketing should not be scary, it should be value-creating. Perhaps this time in marketing history will be a great time to re-evaluate how we use data and which strategies can help us create solutions which are beneficial for both the brand and its users. Server-to-server will help brands tackle the loss of third party cookies, and first party cookies will help us enable new strategies for data management and collection.

Get used to using first-party data

In the longer term, the direction of the industry is moving towards less and less data being available to marketers to help guide their decisions. We must understand the benefits of modern conversion tracking, why it's so important and how it gives your business a competitive edge in an increasingly privacy-conscious environment.

...first-party data is reliable

Without the use of third-party cookies, marketers will naturally become more reliant on first-party data – that is, the data collected from how users interact directly with a company's website, app or various social channels. This sort of data is particularly valuable for identifying how users found you, demographics and creating customer segments, as well as retargeting customers and website visitors.

This data type is more accurate than third-party cookies as it is collected directly from the source. First-party data is a privacy-friendly way to target specific audiences and track your conversions.

With first-party data set to become even more important, it's necessary for marketers to get it right when it comes to collecting it. As this data is not given directly by consumers, it's crucial that businesses foster a sense of openness and transparency. In the EU, this transparency is legislated for, with websites needing to gain consent before being allowed to track with first-party cookies, but taking an extra step by explaining what data is being collected and why will help to build both trust and credibility, making it more likely for well-informed consumers to consent.

Rather than surreptitiously gathering data through third-party cookies, brands and their marketing teams have the opportunity to build rapport with their audiences by simply connecting directly with them, and asking them to voluntarily provide these insights. Research tells us that 74% of consumers are willing to share their interests, preferences and demographic information with brands if it would directly improve their online experiences. It's also important to bear in mind just how much users willingly share on social media, too.

> *74% of consumers are willing to share their data with brands*

Shifting into new ways of working with data requires not only updated methods but also, and more importantly, a new mindset related to data. More than ever, companies have an obligation to be responsible with the way they use, protect, and manage people's data. With changing expectations around what role data plays in personalization, and less access to granular data, marketers need to act now to make the internet a better place for both people and businesses to connect.

Businesses are faced with a large challenge: how to continue to connect with their customers in this new reality. Leading marketers are taking action now to gain a competitive advantage, which sits on the foundation of consumer trust. There are some common actions among brands which are successful in this area. Let these actions serve as inspiration for you and your organizations as you develop a new mindset.

Unlock a new mindset

Prioritize your users and customers

Expectations of how their data is used by companies that they connect with online are changing: they want to trust that companies manage their data respectfully and transparently. Trust begins with understanding, hence you need to make sure that your customers understand why you are collecting their data.

As marketers strive to give their customers a more transparent understanding of how their data is used, the narrative around data collection must evolve. Marketers must explain the 'why' of personalization, not just the 'what'. As consumers demand transparency around how their data is used to drive personalized experiences, marketers have to find ways to bring this message to the masses.

Acknowledge that it is a transaction

New studies show that people are becoming increasingly comfortable with sharing their data with businesses, as long as they are clear about how their information will be used and what benefits they'll get from sharing it. Despite data privacy concerns, studies show 90% of people are willing to share information such as their email when presented with the right value exchange. Marketers need to consider a thoughtful, customer-centric approach that empowers people to make informed choices about how their data is used. What a new value exchange ultimately looks like will be different for each organization and will take time to realize.

Establish buy-in from the entire organization

Making privacy a core priority often means building privacy priorities into the corporate ethos. Creating fundamental culture change can require securing buy-in from the most senior levels of the company, standing up new teams, and onboarding new skills.

When industries go through significant periods of transformation, it's often customer-centric teams that set precedence for innovation and new ways of working. Companies that have a culture prioritizing privacy are usually better equipped to adapt to further change and development.

Discover alternative ways to measure digital marketing

Having less granular data available makes it harder for many businesses to correlate marketing success to customer actions. Many organizations have lost the ability to measure holistically, end-to-end, forcing companies to find new and creative ways to measure the success of their campaigns. Creating new models, using multiple data sets is proving to be highly effective. Going forward is it unlikely that it will be sufficient for brands to only use one single tool for tracking and measurement. Given that the conditions change will there not be one solution covering the entire customer journey, hence brands need to create their own toolbox. The future solutions are not yet available since they are being built at the moment, for now.

Next Steps

Accurate conversion tracking is the cornerstone of successful marketing campaigns. It enables businesses to understand their best customers, identify effective marketing channels, allocate budgets wisely and make data-driven decisions. Without reliable conversion tracking, optimising marketing strategies becomes increasingly difficult.

The analytics and ads landscape is undergoing a seismic shift. 2024 will bring real conversion tracking challenges. A proactive approach is needed for businesses to maintain their marketing performance and competitive edge.

Businesses must adapt to the new era of privacy-conscious marketing, if they wish to remain competitive. First-party data capture is key to success in a privacy-conscious world. Embracing privacy and investing in modern conversion tracking technologies is essential to future-proofing marketing efforts.

Never Stop Learning!