



CUSTOMER INTELLIGENCE

The Cookieless ~~Future~~ Present

In this new era of privacy, every brand is now a data company.



A new era of privacy

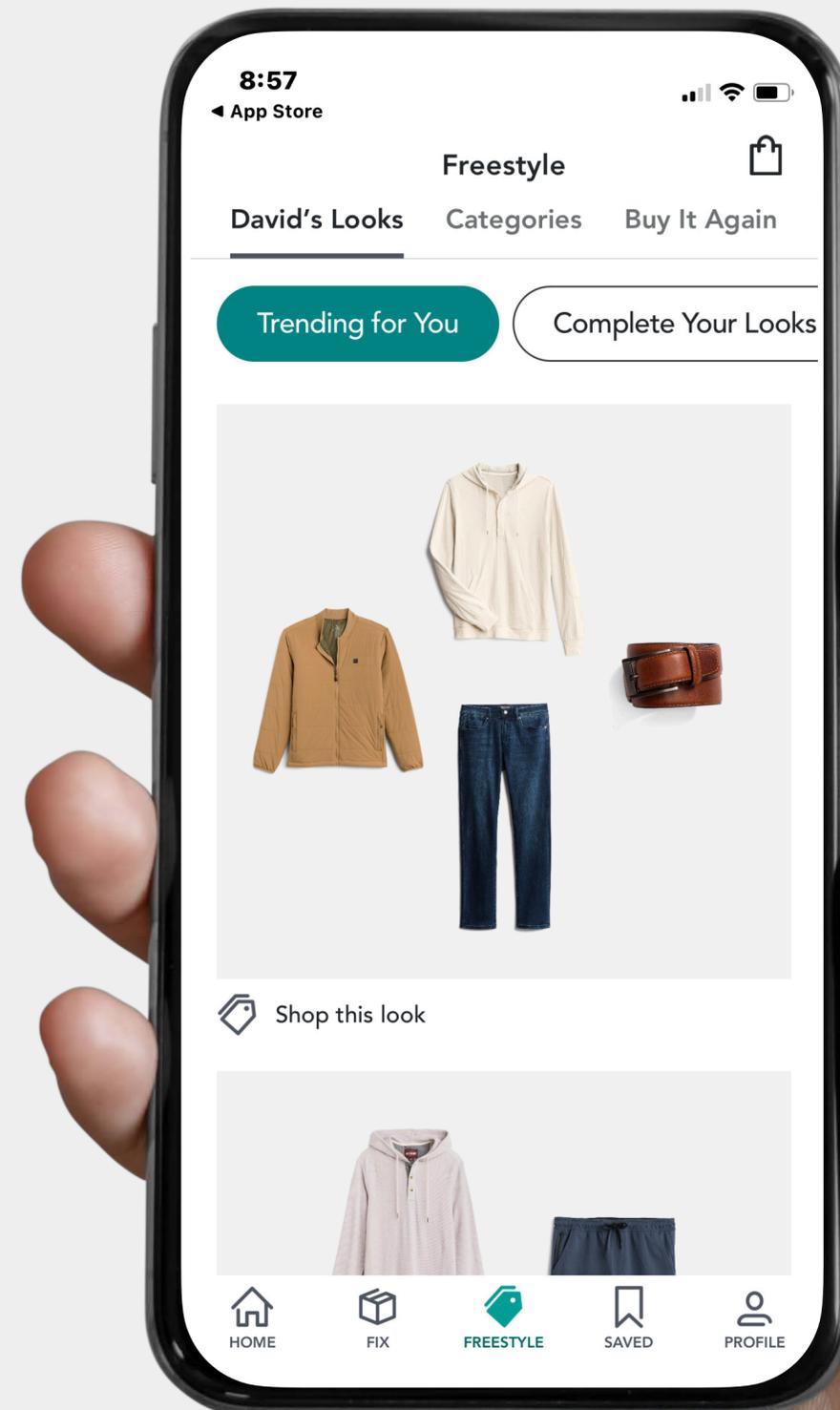
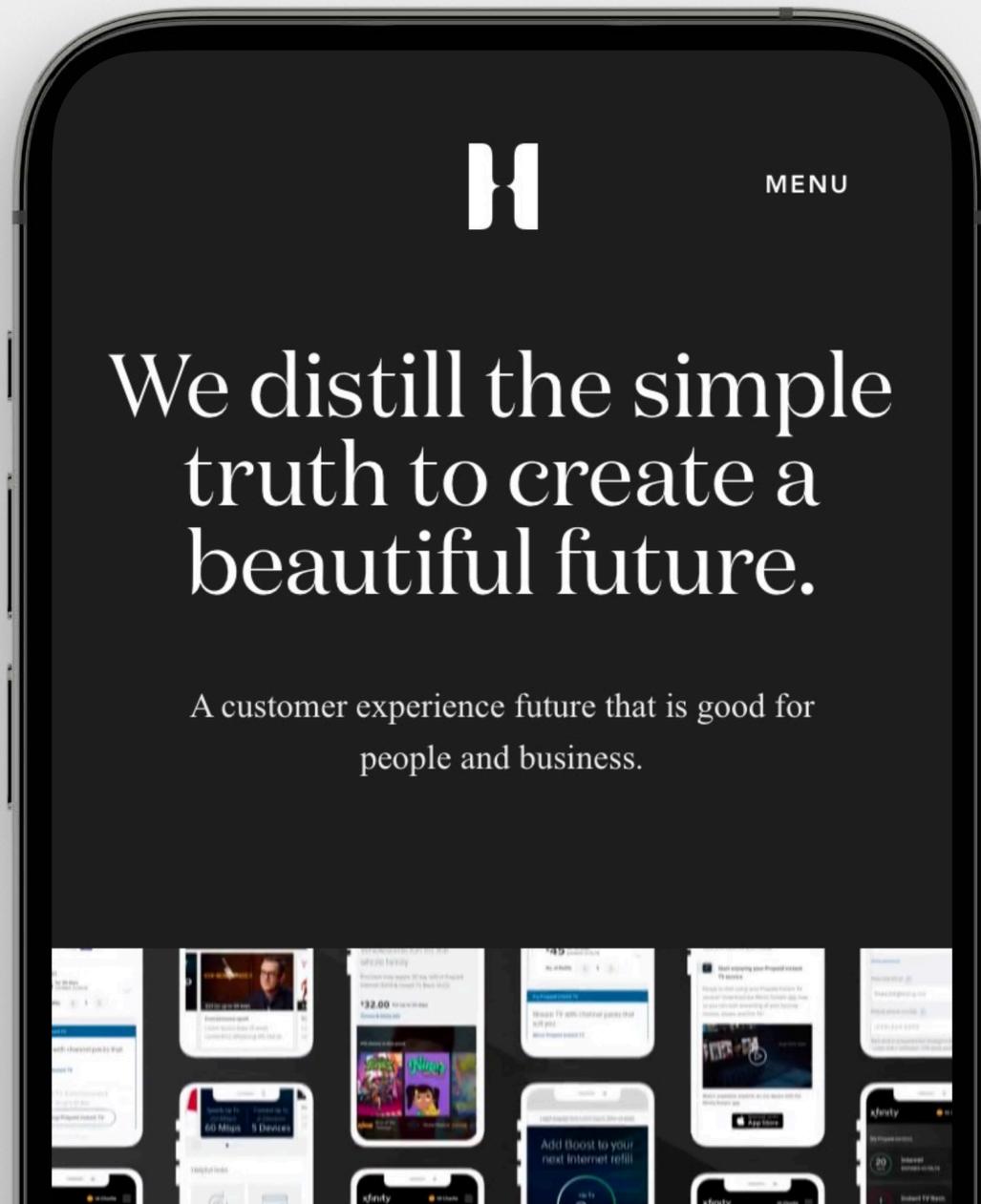
People are demanding more privacy online. Major web browsers have ended (or are ending) their support for third-party cookies and there are increased penalties for privacy law violations.

This shift toward privacy-centric behavior has significant implications for enterprise companies.

Marketing strategies that rely heavily on third-party cookies are disappearing. Serving targeted ads and personalized content to prospects and customers is going to be challenging.



Every Brand is now a Data Company



The Cookieless Future

Discover new, genuine ways to collect data and gain insights from your customers.

When personal data is harder to obtain, customer intelligence becomes more valuable.

In this new era of privacy, every brand is now a data company. It's important to develop digital transformation strategies that boost your ability to collect and utilize first-party data.

It's time to welcome a new era of privacy.

Forward-thinking brands are embracing the end of third-party cookies with new levels of transparency and authentic conversations. To succeed, every company must discover new, genuine ways to collect data and gain insights into their customers.

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Today's privacy trends

77%

Percent of U.S. adults who use at least one privacy tool when online

End of third-party cookies

Major browsers have ended (or are ending) their support for third-party cookies.

Lack of consent into how PII is used is a primary driver for the move away from third-party cookies. Led by Apple Safari, in 2017, when they began disabling third-party cookies by default, most major web browsers are following suit.

Third-party Cookie Support By Browser



Google Chrome

Total market share:
50.37%

Desktop: 61.00%
Mobile: 40.32%

Third-party
cookies enabled:
Yes



Apple Safari

Total market share:
34.64%

Desktop: 17.37%
Mobile: 53.05%

Third-party
cookies enabled:
No



Microsoft Edge

Total market share:
5.95%

Desktop: 11.72%
Mobile: NA

Third-party
cookies enabled:
Mixed*

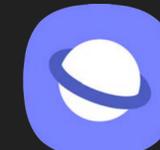


Firefox

Total market share:
3.47%

Desktop: 6.07%
Mobile: 0.86%

Third-party
cookies enabled:
No



Samsung Internet

Total market share:
1.96%

Desktop: NA
Mobile: 4.26%

Third-party
cookies enabled:
Yes



Android

Total market share:
0.84%

Desktop: NA
Mobile: NA

Third-party
cookies enabled:
Yes



Google Chrome support extension

- Chrome was planning to end support this year.
- In June 2021, Google announced support through at least the middle of 2023.

Increasing fines and penalties

GDPR started in 2018, but more privacy-centric laws are coming including:

- California Consumer Privacy Act*
- Massachusetts SR-120*
- New York S5642*
- Hawaii SB418
- Maryland SB613

* Penalties are up to \$750/user per occurrence

Third-party cookies

Why are Third-Party Cookies a Privacy Concern?

HTTP cookies (known simply as cookies) are blocks of data created while someone is browsing a website. They're built by the web server and placed on a user's device by the browser.

Cookies are an essential part of the modern internet, enabling common functionality like the ecommerce shopping cart.

Third-party cookies are a type of cookies that track online user behavior. They're used to compile long-term records of people's browsing history.

Third-party Cookies exploit Personally Identifiable Information (PII)

Cookies allow digital marketers to serve “relevant” ads to each user. They’re often present when websites feature external content, like banner ads.

The problem is most people don’t realize that third-party cookies allow their activity on one website to be tracked by another.

No opt-in or explicit consent is granted to approve this level of tracking. Even more concerning, third-party cookies exploit how Personally Identifiable Information (PII) is used.



Impacts to marketers

Ad targeting and retargeting

Marketers will have less information about user behavior across the web to target their ads.

Common retargeting techniques are now much more difficult. For example, you can no longer rely on third-party cookies to show an ad to a user who put a pair of shoes in their cart but did not check out.

Measurement and attribution

As third-party cookies become less available, multi-touch attribution models will become less reliable. Google Privacy Sandbox is also working on solving this problem with two APIs for aggregated reporting and conversions measurement.

Marketing tool changes

Certain tools are evolving while others are simply being retired, such as Adobe Audience Manager.

Marketers should talk to each of their vendors about how their respective solutions utilize third-party cookies and how they are mitigating the changes.

Solving for the gap

The customer is in control

When asked “what would motivate you to share personal information,” the top response was “nothing would motivate me to share more personal information.”

As we look deeper, cash rewards, loyalty programs, options to opt-out, and better customer all stand out as factors influencing customers’ willingness to share information about themselves.

Note: Not all response categories are shown.

Base: 58,166 U.S. online adults (18+)

Source: Forrester Analytics Consumer Technographics®
Benchmark Survey, Part 2, 2020

“Which of the following would motivate you to share more information with companies?”



Embrace the change

You won't find an apples-to-apples replacement for third-party cookie tracking. Instead, you must adjust your strategy with a collection of approaches that are best for your organization.

First-party data is critical

Every brand is now a data company. This will enable marketing strategies but will also come with new requirements and risks to manage to ensure compliance with regulations and trust with your customers.

Invest time, thinking, and dollars

There are a multitude of new solutions for building, populating, and supporting your own identity graph.

Cookieless alternatives

Google Topics API

In January 2022, Google announced that their new Topics API will replace the Federated Learning of Cohorts (FLoC) algorithm.

This system enables interest-based advertising (IBA), without having to resort to tracking the sites a user visits.

Methodology:

- The browser infers topics of interest based on the user's activities
- When someone visits websites that display ads, the ad tech platform calls the Topics API to retrieve these topics
- Ad tech platform selects an appropriate topic and serves a relevant ad

ID Replacements

- The Trade Desk Unified ID 2.0
- LiveIntent nonID
- LiveRamp RampID
- ID5
- Prebid SharedID
- Admixer ID
- Nielsen Identity Sync
- Zeotap ID+

Alternatives

- Contextual
- Content-based data
- Data clean rooms
- User graphs
- First-party data co-ops
- Panels
- Fingerprinting



SOLVING FOR THE GAP

CUSTOMER INTELLIGENCE

Cookieless Marketing Strategies



Cookieless Marketing Strategies: Collecting first-party data

Zero party data (ZPD)

This is the “just ask” strategy. ZPD is information that a user intentionally shares with a brand.

Strategies to collect ZPD move beyond inferring goals and behaviors based on actions and involve directly asking the user for information that will be used to tune their experience.

Loyalty programs

Brands that have loyalty programs are sitting on a robust set of user information including PII, preferences, and purchase history.

Expanding (or introducing) loyalty programs and incentives can be embraced by customers as an in-kind exchange for information.

Owned walled gardens

Depending on your industry, you may have untapped properties that can provide helpful and meaningful data to your marketing efforts.

For example, customer support communities represent an often overlooked resource. These properties have customers log in and discuss your products but are often owned by support and not marketing.

Transparency

Differentiate from your competitors by openly communicating your privacy strategy and how you use data to provide better experiences to your customers. This is the key ingredient to any customer-first mindset.



Embrace contextual privacy

Contextual privacy is a business practice in which the collection and use of personal data is consensual, within a mutually agreed-upon context, for a mutually agreed-upon purpose.

- When can we collect data about you?
- Where can we collect data about you?
- How can we collect data about you?
- What identity do you use when you interact with our brand?
- With whom should my company share your information?

Kick-starting a contextual privacy approach

Create a cross-functional privacy task force with enforcement powers.

Firms should create a cross-functional working group that includes members from marketing, product development, operations, customer experience, legal, and the technology organization. This task force must have the authority to enforce the organization's privacy guidelines and authorize any new uses of customer data.

Establish an internal data privacy standard.

The privacy task force should create a plain-language internal data privacy standard that outlines rules for collection, retention, use, and sharing of customer data both within and outside the organization.

Audit all of your data collection, retention, and use practices.

An audit is a critical aspect of getting contextual privacy right because it enables companies to write a simplified privacy policy that can stand up to scrutiny by any governing body or customer advocacy group.

Humanize your customer-facing privacy experiences.

Treat privacy pages and cookie banners like the customer touchpoints they are. [ClassDojo](#) is a great example of a user-centric (not lawyer-centric) privacy experience.

Industry solutions

CUSTOMER DATA & INSIGHTS

Financial Services



Financial Services Trends

Financial services customers are intrinsically privacy centric.

They're not willing to share their valuable personal information easily. Transparency and consent are essential for gaining their trust.

Mobile interaction is expected. Savvy business teams are gaining consent from their customers to tailor digital experiences and leverage first-party data for personalization across the entire customer journey.

72%

of privacy executives say their organizations use consent to tailor customer-facing offers.*

53%

of banking customers use mobile banking (via smartphone) at least once a week.**

71%

of US digital bank users value privacy as extremely important when determining the level of trust they feel.**

*Source: Accenture, March 2020

**Source: eMarketer, May 2021



Financial Services Solutions

Leading financial services companies are using first-party data to create digital customer experiences that change the way people interact with their money.

Personalization is expected and in-person interactions are complemented by digital services. Seamless, omnichannel experiences set financial services brands apart from the pack.

Business transformation strategies

Data & insights solutions for financial services

Key initiatives

- Testing & Personalization
- Forecasting
- Segmentation analytics
- Machine learning
- Zero-party data collection
- Identity resolution

INDUSTRY SOLUTIONS

CUSTOMER DATA & INSIGHTS

Health & Wellness



Health & Wellness Trends

Digital health and wellness companies, trusted with valuable customer information, must ensure that the personal data they collect is secure or risk losing a customer forever.

Every healthcare company must ensure compliance with the Health Insurance Portability and Accountability Act (HIPAA), a federal law that requires the creation of national standards to protect sensitive patient health information from being disclosed without the patient's consent or knowledge.

Gaining consent through contextual privacy is paramount in this unique sector. Increased cybersecurity attacks are also placing pressure on healthcare companies to tighten up their privacy guidelines.

20%

of Americans 50+ own wearable health-tracking devices.*

48%

of US individuals said they'd be unlikely to use virtual care again if their health data was susceptible to a security breach.**

76%

of health systems failed to secure their supply chains from cybersecurity attacks.**

*Source: eMarketer, Hero Digital Consumer Goods Truth and Signals Report August 2021, Hero Perspectives October 2021

**Source: eMarketer, May 2021



Health & Wellness Solutions

Cutting-edge R&D and increasing adoption of emerging tech like AI, VR, Robotics, and genetically-engineered treatment are fueling a new wave of health and wellness solutions.

By carefully leveraging customer data, leading companies are delivering a connected, omnichannel journey that merges patient needs with advanced technology.

Business transformation strategies

Data & insights solutions for health and wellness

Key initiatives

- Segmentation analytics
- Machine learning
- Identity resolution
- Zero-party data collection
- Patient lifecycle marketing
- Loyalty programs

INDUSTRY SOLUTIONS

CUSTOMER DATA & INSIGHTS

High Tech



High Tech Trends

Tech customers have a lot at stake. Savvy business customers expect companies to protect their valuable data. Privacy must be taken seriously and security breaches are costly.

Adopting transparent practices for collecting and storing first-party data is critical. Data governance is crucial to maintaining trust and building lasting business partnerships.

44%

of people reported that privacy-related regulations had a high or significant impact on their data technology and governance strategies.*

80%

of marketers surveyed report concern that their marketing technology vendors may expose their company to legal risks.**

49%

of firms have purchased privacy management software to comply with data regulatory requirements.*

*Source: Forrester, Shift From Privacy Readiness To Sustained Compliance August 2021

**Source: Demandbase, 5 Key GDPR & Privacy Findings for B2B Marketers



High Tech Solutions

Genuine digital relationships are building blocks for tech business success. Leading tech companies must develop a powerful yet secure customer database.

Once trust is established, there are long lasting benefits. Digital experiences can be tailored to meet evolving business needs and personalization is possible at all stages of the customer journey.

Business transformation strategies

Data & insights solutions for high tech companies

Key initiatives

- Own walled gardens
- Testing & Personalization
- Customer data platforms
- Forecasting
- Identity resolution
- Customer segmentation analytics

CUSTOMER DATA & INSIGHTS

Retail & Consumer Goods

Retail & Consumer Goods Trends

Connecting in-person interactions with digital experiences is now expected. To increase conversions, it's important to tailor customer interactions based on past interactions.

The challenge is, consumer trust is low. People aren't likely to submit their personal information without reason. Securing consumer data is important for long-term trust as privacy concerns weigh heavily on consumers' minds.

10%

of consumer respondents said that they trust consumer-packaged-goods companies.*

42%

of "The Big Five" mass retailers e-commerce purchases that are made online and then collected in person.**

87%

of consumer respondents said they would not do business with a company if they had concerns about its security practices.*

*Source: Mckinsey & Company, The consumer-data opportunity and the privacy imperative April 2020

**Source: eMarketer, Hero Digital Consumer Goods Truth and Signals Report August 2021

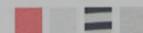


INDUSTRY SOLUTIONS



ROUND-NECK T-SHIRT

\$19 ~~\$10~~



Retail & Consumer Goods Solutions

Retail and consumer goods companies have tremendous opportunities to improve people's lives with data.

Using first-party data for personalization helps consumers make better decisions and improves conversion. Customer insights help companies enhance digital experiences and make purchasing products fun and convenient.

Business transformation strategies

Data & insights solutions for retail and consumer goods

Key initiatives

- Customer data platforms
- Zero-party data collection
- Loyalty programs
- Identity resolution
- Customer segmentation analytics
- Testing & Personalization



Key takeaways



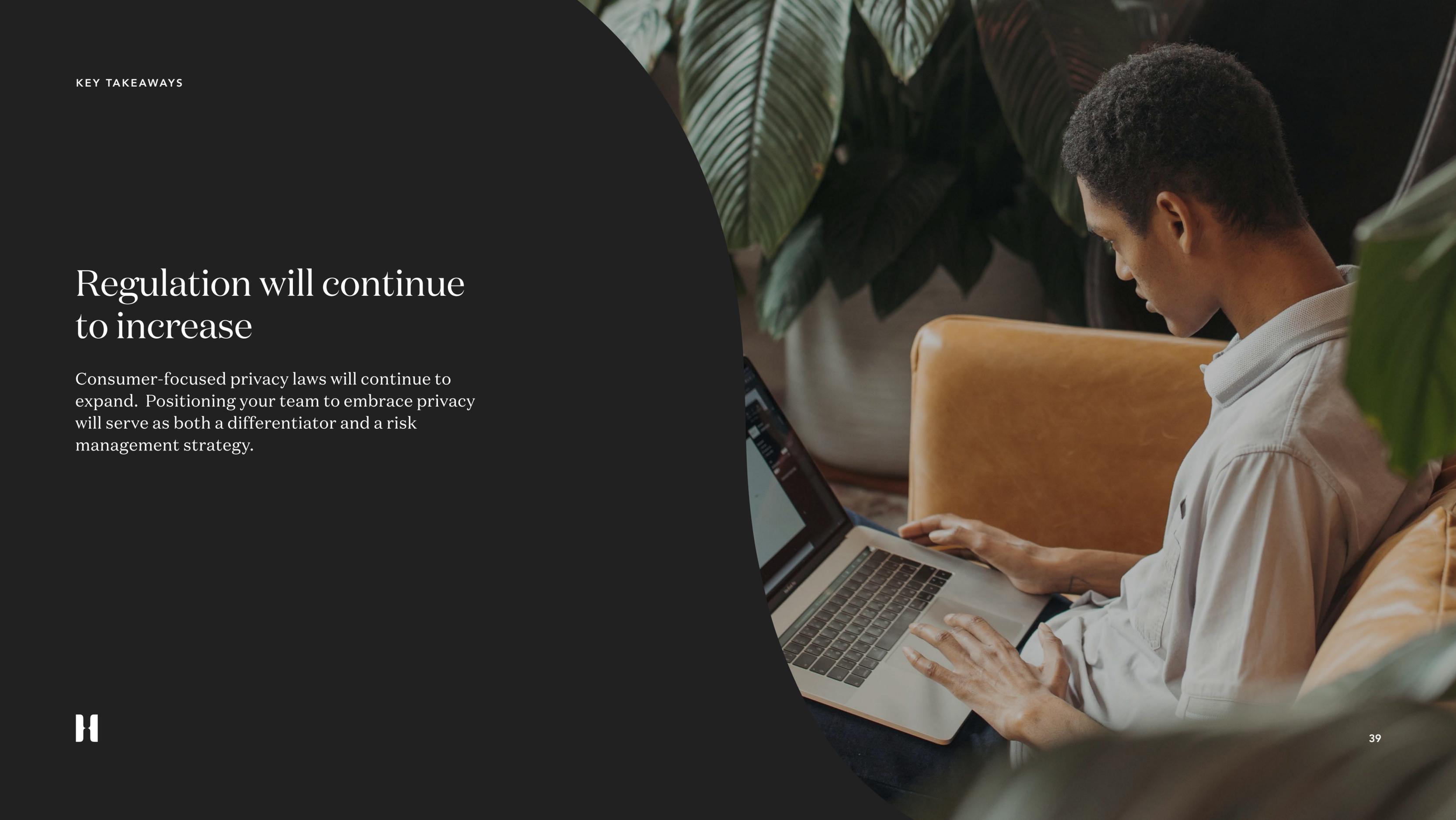
The end is already here

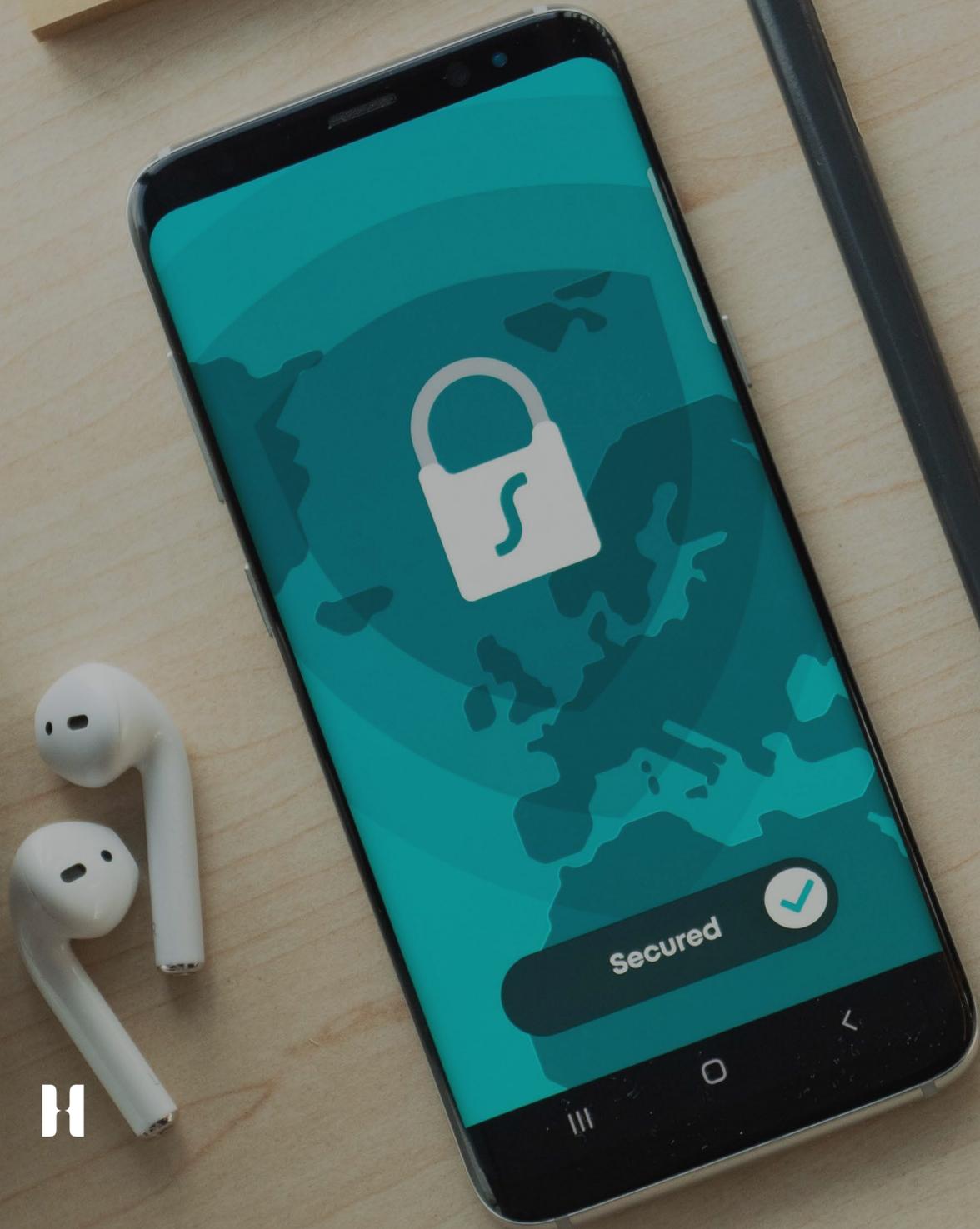
Chrome's extended support for third-party cookies benefits Google more than marketers.

You must recognize that the majority of your U.S. mobile users are automatically blocking cookies and over 40% of desktop users are doing the same.

Regulation will continue to increase

Consumer-focused privacy laws will continue to expand. Positioning your team to embrace privacy will serve as both a differentiator and a risk management strategy.





More data is classified as PII

CCPA and other consumer protections are expanding the definition of PII. You will need to support processes and tools to ensure you are managing data in a manner that aligns to your goals and complies with internal policies.

Take action

Privacy is a marketing imperative

40%

of privacy leaders will
report to the CMO

100%

increase in regulatory
and legal activities

25%

of CMOs are investing in
consent and preference
management



Privacy is a marketing imperative

User expectations, government regulation, and competition will continue to elevate privacy as a critical differentiator for all companies.

Successful marketing leaders will embrace this and not view privacy as an area that is the responsibility of legal or IT.

TAKE ACTION

Embrace transparency

Customers know that their data is collected. Studies show that people are uncomfortable when they lack details on what is being collected and how it's being used.



You are a data company

First-party data will continue to appreciate as a marketing asset. Establishing the necessary structure, processes, and tools are in place to manage and activate your first-party data will be critical to growth.



Use a collection of multiple strategies

There's no silver bullet to replicate what third-party cookies provide today. Use a collection of strategies to expand your first-party data, utilize modern identity resolution techniques, and look more at audiences and context than individuals.



Succeed in the Cookieless ~~Future~~ Present

As you embrace privacy, there are many new solutions for building, populating,
and supporting your own customer intelligence ecosystem.

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DISCOVER SOLUTIONS

THE COOKIELESS FUTURE

We are Hero

A leading independent digital experience company born at the intersection of business, design, and technology.



Hero
DIGITAL

Lead with experience.