

# The death of third-party cookies: What businesses and marketers need to know

 By [Matthew Campbell](#)

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Google announced plans to phase out third-party cookies in their Chrome browser by mid-2023, a move the company referred to as a "course towards a [more privacy-first web](#)". This comes as part of their broader [Privacy Sandbox](#) initiative launched in 2019 and has led businesses to speculate about the future of digital advertising.



Marketers use cookies to track online user behaviour across multiple sites, measure ad performance, and target consumers on an individual level. But third-party cookies falling away doesn't necessarily mean the end of online tracking. While targeting might become more restrictive or consent focused, businesses will still be able to leverage first-party-collected data and other targeting methods.

Other internet browsers, like Internet Explorer, Safari, and Mozilla Firefox, already started blocking third-party cookies by default [as early as 2013](#).

But Google Chrome now joining them marks a significant step forward in the ongoing 'privacy revolution'. The Chrome browser held an overwhelming global [market share of 69.5%](#) among all Internet browsers in 2020, which means that this change will impact the vast majority of Internet users.

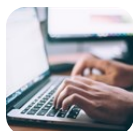
Individuals are likely to benefit from greater transparency and stricter consent rules for data gathering. Businesses, on the other hand, might need to rethink their digital marketing strategies and start considering alternative tracking methods.

## The privacy revolution

Third-party cookies are tracking codes that help brands learn more about the overall online behaviours of customers, such as the websites they frequently visit, purchases they've made, and interests they might have to help marketers create personalised ad campaigns.

Whereas first-party cookies only monitor preferences (such as login information, language preference, and shopping cart items) on the website you are visiting, third-party cookies track online behaviour across multiple websites. And while first-party cookies are accepted automatically, web users must be prompted to accept third-party cookies because of the amount of personal data companies can gain from them.

The decision to phase out third-party cookies has largely been driven by growing privacy concerns among Internet users, which has resulted in the enactment of privacy laws like the General Data Protection Regulation (GDPR) in the EU, the California Consumer Privacy Act (CCPA) in the US, and the Protection of Personal Information Act (PoPIA) in South Africa.



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In 2018, [a survey of South African consumers](#) showed that 83% of participants were concerned about the protection of their personal data, highlighting the urgency of a new approach to web user privacy.

Google's Privacy Sandbox initiative aims to "develop a set of open standards to fundamentally enhance privacy on the web, giving people more transparency and greater control over how their data is used".

One of its main ideas is a new approach to online advertising called the Federated Learning of Cohorts (FLoC), which allows advertisers to present relevant ads to large groups (called cohorts) while individual users remain anonymous.

FLoC collects information about browsing habits and assigns individuals to an interest group, or a 'flock'. Unlike third-party cookies, FLoC will not allow advertisers to track users across different sites. Instead, every business will have equal access to customer data in an 'ecosystem' of interest groups – without any invasive tracking of individual users.

## The way forward for marketing

The end of third-party cookies doesn't mean the end of tracking. There are many other existing technologies (like Google's Privacy Sandbox) that can be used to track online behaviour and create targeted advertising.

Organisations that have previously relied on third-party data will need to start leveraging alternatives such as zero-party data, universal IDs, fingerprinting, contextual advertising, and AI-powered analytics.



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Without third-party cookies to reach audiences across the entire web, businesses will also need to start embracing more relevant first-party data. This means building a better picture of customers across existing touchpoints, such as phone, email, website, or social media platforms.

Whereas third-party data is often imprecise, first-party data allows a business to use more direct and trusted connections they have with new and existing customers. And the more information businesses can gather across various touchpoints, the more effective their personalised communication will become.

## A privacy-first future

Even if third-party cookies are completely phased out, the alternative approaches may end up strengthening online tracking. But the internet is still at a turning point.

As the world's big tech companies are trying to find a balance between personalised advertising and data privacy, the demand for user consent is becoming standard.

Although marketers may have to look for new ways to target the right audiences, the removal of third-party cookies is a win for everyday Internet users.

When third-party cookies are removed from Chrome, people will be able to access the Internet feeling more assured that their privacy is protected.

Google wants to rewrite the 'rules of the web' by giving users greater transparency, choice, and control over their own data. Not every adtech company may like it, but a more privacy-oriented web is finally in our near future.

## ABOUT MATTHEW CAMPBELL

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