5 Reasons to Migrate off Cookies and Device-Based IDs Today

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The end is only the beginning

You've most likely heard some variant of the expression that you have to break down before you have a breakthrough. The advertising ecosystem is currently experiencing that breakdown. With third-party cookies becoming a relic, many of the metrics that marketers use today to measure their digital media performance will become extinct, and activating first-party data is going to be a new ball game, especially when it comes to enhancing the customer experience. To break through, marketers need to be strategic and start buying media using people-based identifiers, to not only stop relying on cookies and other device-based identifiers, but also to improve ROI and accurate measurement.

Let's get started.

The power of five

For marketers to set themselves up for success, they need to consider activating their media plans and start measuring on people-based identifiers today to achieve:

1 Better customer experiences

2 Accuracy

3 Consistency

4 Benchmarking

5 Improved ROI

Better customer experiences

While there may be other types of identity solutions currently in play, the most promising and viable option is the encoded (or encrypted) people-based identifier. These types of identifiers operate more effectively cross-platform, which is critical to any brand with an omnichannel audience (which is to say, all of them).

Remember, the world is far bigger than third-party cookies and programmatic display advertisers. Channels like television, direct mail, point-of-sale personalisation, search, and email are important and must all work together to optimise the customer experience to impact business results positively.

Media waste is a sad fact of life because you aren't targeting and/or suppressing specific audience segments across all screens. Not only are you likely overspending on some of your audience, but you're probably annoying them, too. You can reduce media spend waste by **activating your customer data** to link it with a people-based identifier. Through data activation, you can leverage your customer data on any of the online marketing channels in your media plan—saving you time while boosting accuracy and insights that can lead to better ROAS, not to mention your marketing cred.

For example, a retailer wants to deliver premium, preferred experiences to their customers and compete with the likes of walled gardens to overcome browser limitations. **To accomplish this, they must unify their approach to identity and addressability across online and offline channels using a solution that is neutral and provides interoperability.** Whether they're interacting with consumers in-store, on their website or mobile app, or even through call centers, every touch point and every engagement needs to be cohesive, personalised, and precise. The stakes are high, and without identity and addressability at the core of their strategy, marketers risk losing customers.

Interoperable is identity-enabled compatibility with every system, allowing utilisation of any platform or identifier(s). Interoperable technology enables a network of partner integrations across digital and TV—with technology platforms, MVPDs, streaming video platforms, data providers, and agencies. This accelerates growth and reduces friction while offering clients freedom of choice.

Accuracy

Consumers move in and out of channels and devices several times a day throughout their path to purchase. Marketers know that targeting is often imprecise because device-based identifiers like cookies are fundamentally flawed.

Every marketer is familiar with the pain caused by cookie syncs across an ecosystem of disparate sources trying to talk to each other. Match rates fall between 45-60%—that's not even a passing grade, yet it has become a necessary "acceptable loss" due to advertising technology not being interoperable. This lack of interoperability may also cause marketers to tie purchases to the wrong person and rely on fuzzy math instead of having accurate data connectivity. When you use a people-based identifier, accuracy is achieved because 100% of your impressions can be measured across the entire advertising ecosystem. There is no data loss due to cookie syncs. This takes the guesswork out of conversion analysis, frequency optimisation, and suppressions. Your ad dollars are precious. Why wouldn't you do everything you could to measure with precision so you can maximise your ROI?

For example, cookies can't help marketers:

Distinguish individuals from shared devices like computers and tablets

Target or measure consumers on cable boxes or connected TV

Bridge online and offline data

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Consistency

Just about every brand is advertising on Facebook and Google using the duopoly's proprietary IDs, but when it comes to the open web and buying through DSPs, most advertisers rely on cookies to measure the effectiveness of their campaigns.

We've already established that cookies have some fundamental flaws. You can see that this is measuring apples and oranges. There's no consistency. Right now, you probably have about 60% of your media spend measured through walled gardens. Now is the time to start buying on people-based identifiers through DSPs to be consistent and measure apples to apples.
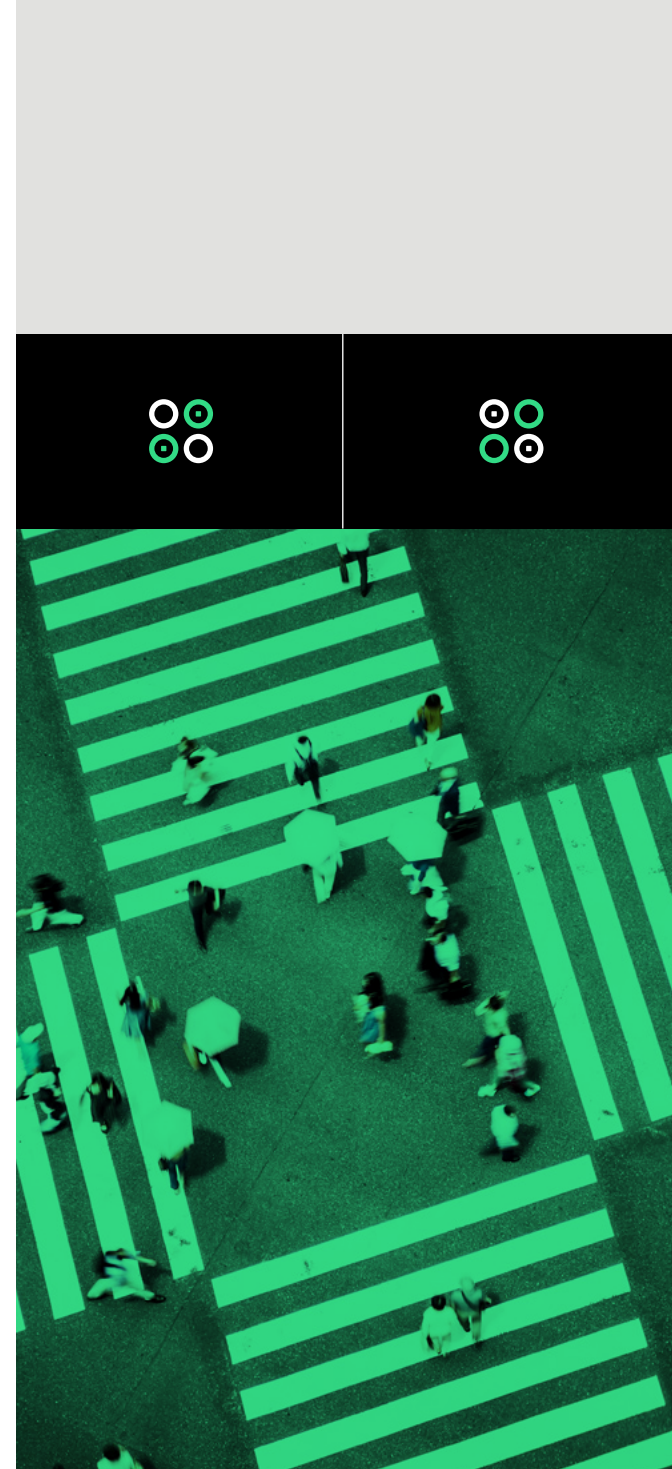
Benchmarking

"**measure twice,** cut once,"

Carpenters have a proverb, cut once," which means you plan carefully to avoid wasting time and materials. Applying this proverb means when it comes to preparing for advertising in a cookieless world, you need to start benchmarking using a persistent ID. Run your normal campaigns in tandem with testing and buying with people-based identifiers to create critical baselines.By gaining these insights now, you will have the right data to model and craft your long-term measurement strategy accurately without relying on impressions or cookie-based identifiers.

Case Study

Taking a Healthy Approach to a Cookieless Future

The Challenge

A health and fitness technology brand wanted their media agency to help prepare them for advertising after the deprecation of third-party cookies. The brand needed assurance that they could still reach their high-value audiences and measure on the same outcomes when using the LiveRamp Authenticated Identity Infrastructure.

The Solution

Through LiveRamp's integration with leading SSP Index Exchange via Matched AudiencesTM, the Brand's media agency was able to reach the brand's high-value audience with a deal ID built to leverage the LiveRamp Authenticated Identity Infrastructure. The brand wanted to directly match their audience with high-quality publisher inventory without the need for third- party cookie syncs for a seasonal Father's Day campaign.

The media agency advised their client on a test design and implementation that compared reaching audiences on cookies and through LiveRamp. The test was designed to use the same audience definition, keeping other variables constant with the difference being the identifier type that was targeted.

2x Higher return on ad spend (ROAS) vs cookie targeting

34% Decrease in cost-per-page-view (CPPV) vs cookie targeting

13% Increase in average order value (AOV) vs cookie targeting

The Results

Business outcomes were significantly improved by reaching audiences through the LiveRamp Authenticated Identity Infrastructure.

The business outcomes were an overwhelming success for the brand and their media agency. LiveRamp and Index Exchange were able to show how they could not only transition seamlessly to targeting without third-party cookie syncs but that they could also achieve 2X higher ROAS compared to cookie targeting. The health and fitness technology company's CPPV also decreased by 34% vs the control group using cookie targeting, offering them greater efficiency for their investments.

Additionally, They saw a 13% increase in their AOV, proving that audiences reached were of higher value than targeting on cookies. These results validated that the LiveRamp Authenticated Identity Infrastructure was both a viable solution for a world without cookies and can be leveraged today to deliver significantly better returns and efficiencies.

Since the brand has only a few major campaigns during a year, it was important to test and benchmark results before they were no longer able to leverage these learnings. Having unlocked these insights, they are now able to prepare for their next campaign (the all- important Holiday retail push) with

the confidence that they will be maximising their reach effectively and efficiently. In addition, based on the fact that 100% of their impressions are measurable with LiveRamp's Infrastructure, their investments are more accountable, and they can now plan for and execute an optimisation plan that will further drive greater impact during this critical year-end retail period.

This test created excitement across the health and fitness technology brand as well as their agency partners, providing them the confidence to expand their advocacy across the rest of their client accounts who will benefit from LiveRamp's Infrastructure.

"LiveRamp's Authenticated Identity Infrastructure technology allowed us to effectively expand reach against target audiences and drive significant ROI without relying on traditional digital user IDs. We look forward to watching this solution continue to evolve and increase in adoption as third-party cookies are headed towards obsolescence for both addressability and measurement purposes."

Senior Director, Media & Customer Acquisition

Future Plans

After proving they can reach their high-value audiences without cookies and with increased performance, the brand will identify additional metrics and environments to benchmark. They also look forward to increasing addressable reach by activating cookieless audiences on Safari and Firefox.

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Ready to begin benchmarking your campaigns before you live in a cookieless world?

Here's how to get started activating and measuring with LiveRamp today

✓ **Determine the KPI you are looking to benchmark.**

Use an average of historical campaigns or define a new KPI.

✓ **Define an audience/ CRM segment to use.**

✓ **Establish which media platform you'll be using.**

✓ **Define other campaign setup details.**

(e.g. inventory sources, campaign flight dates, budget, reporting needed to measure).

✓ **Distribute the segments on RampID.**

Reach the actual people you intend to reach.

✓ **Activate the campaign.**

Learn how CPMs are affected.

✓ **Get exposure logs and begin benchmarking learnings and iteration.**

Start with cost-per-click (CPC) and then bring in click-through rate (CTR), cost-per-page view (CPPV), cost-per-action (CPA).

By gaining these insights now, you will have the right data to model out and craft your long-term activation and measurement strategy accurately without relying on impressions or cookie-based identifiers.

LiveRamp can help

Better customer experiences

Accuracy

Consistency

Benchmarking

Improved ROI

These five things have never been more important for marketers to gain the competitive advantage and business outcomes they desire most. LiveRamp is here to help you get started today.

If you want to learn more about our Authenticated Traffic Solution (ATS) and buying on our Authenticated Identity Infrastructure, reach out to **ats@liveramp.com**

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About LiveRamp

LiveRamp is the leading data connectivity platform for the safe and effective use of data. Powered by core identity resolution capabilities and an unparalleled network, LiveRamp enables companies and their partners to better connect, control, and activate data to transform customer experiences and generate more valuable business outcomes. LiveRamp's fully interoperable and neutral infrastructure delivers end-to-end addressability for the world's top brands, agencies, and publishers.

For more information, visit **www.LiveRamp.com.au**