How privacy changes affect B2B paid search marketing

Everyone’s talking about privacy. When Google announced the deprecation of third-party cookies in early 2020, privacy became a hot topic.

The loss of third-party cookies impacts all advertisers and is especially challenging for B2B marketers, who struggle to reach the right audience even with third-party cookies in play.

Let’s review how today’s privacy changes came about – and then look ahead to what it all means for marketers.

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How did we get here?

In the early days of the internet, it was the Wild West. No one cared about privacy.

As with anything new, consumers were enamored with going to a website, ordering whatever they wanted and having it show up at their door.

Sure, mail-order had been around for a long time. But it wasn’t exciting to fill out a form, write a check and send it in – only to wait 6-8 weeks for the order to arrive.

The internet changed buying habits forever.

It was possible to find and buy nearly anything online easily.

Still, the internet also offered a treasure trove of user data that marketers could tap into for insights into buyer behavior.

Somewhere around the mid-2000s, retargeting was introduced.

I remember being at a search conference around 2005, watching a demo of a new technology that would dynamically serve ads based on users' search activity and the websites they visited.

My mind was blown. Do you mean we can show different ads to different users based on things we know about them? Sign me up!

No one thought about privacy then either. We were so enamored with this new technology that we never gave privacy a thought.

Privacy becomes a thing

Fast forward to today.

Retargeting is everywhere. Everyone knows when they are being retargeted. And advertisers are often doing it poorly.

Every digital marketer can come up with a handful of bad retargeting they've experienced personally.

For me, a memorable one was just after I'd made an online reservation at a hotel for a business trip to Seattle. I was immediately bombarded with ads – from the same hotel I'd just booked, saying, "Book your trip to Seattle now!"

Come on.

I believe that lazy marketers are partly responsible for the privacy changes coming later this year. People are sick of poorly targeted ads that follow them incessantly.

How privacy affects B2B search marketing

B2B search marketing is challenging under any circumstances. Searchers don’t self-identify as B2B users when they perform a search.

And often, the keywords they use are the same keywords a consumer might use, even though each is looking for two different things.

Terms like “insurance,” “security” and even “design software” are vague. The searcher could be looking for services for themselves or their business.

That’s where third-party cookies came in.

Advertisers got excited when Google introduced audience targeting options like affinity and in-market audiences. Finally, a way to layer on audience signals based on search and browsing behavior!

However, audience targeting options are hopelessly consumer-focused. Here are Google’s current affinity segments:

See anything that looks remotely like B2B? Me neither.

In-market segments aren’t much better. Here’s one for Business Services:

The “Business Technology” category isn’t bad, but the others, such as “Business Printing & Document Services,” seem tailored to small businesses, not enterprises.

The death of third-party cookies

So what does all this have to do with privacy?

Targeting options like affinity audiences and in-market audiences are built from third-party cookies. Search engines use signals (e.g., which websites users visited) to compile the audiences.

Google has announced the deprecation of third-party cookies from Chrome within the next year.

In other words, most of these targeting options are going away soon.

First-party audiences to the rescue

First-party audiences are great for B2B. They remove many obstacles B2B advertisers face: consumer-focused targeting, or targeting that’s too broad for the business need.

But first-party audiences also pose challenges for B2B.

The biggest hurdle is creating the audiences in the first place.

To efficiently use first-party audiences, advertisers need some way to compile audience data, group users into cohorts and securely pass the data to advertising platforms like Google Ads and Bing Ads. Usually, this is done through a data management platform (DMP)

Advertisers who use a DMP have a relatively easy time using first-party audiences in their PPC campaigns. The DMP can be used to upload audiences directly to search engine platforms.

Unfortunately, even among our enterprise clients, surprisingly few have a good DMP setup. This means most advertisers are not able to use first-party audiences effectively.

And even for advertisers who do have a suitable DMP, we often find that the first-party audiences are too small to target.

Unlike e-commerce, B2B is a smaller universe. There aren’t as many people researching enterprise business software as there are people buying shoes on a given day.

There are even fewer people from companies with more than 5,000 employees researching ERP software for the enterprise.

See where I’m going with this?

Audiences that are too small to target aren’t much help.

Or are they?

Search engines use audiences as a signal for targeting ads. Think of an audience as a way to tell Google and Bing who you're trying to reach.

One way to amplify the signal of a small first-party audience is by using similar audiences (also called lookalike audiences).

Similar audiences are often 2-10 times bigger than first-party audiences. Here's an example:

The first-party audience only has about 5,000 members – it’s large enough to target but won’t drive much traffic.

But the similar audience has anywhere from 10,000 to 50,000 members for search and up to 1 million for display – a much larger reach.

Similar audiences are especially helpful for B2B, which tends to have a low audience match rate). We’ve seen strong performance from similar audiences for our B2B clients.

Let paid social help

Another way to create B2B audiences is to use paid social to inform paid search.

Paid social is usually used for upper-funnel activity – awareness and consideration. But we've used paid social to create audiences for paid search retargeting.

The great thing about paid social is that we know a lot about our target audience. We can target based on employer, job title, company size, education, skills and other factors that indicate the user is a good target for B2B.

Create a dedicated landing page for paid social traffic for your B2B audience targets and tag it for retargeting. Then target people who visited that page with Google Ads.

We've done this with YouTube videos too. People who watch a 30-60 minute keynote from a B2B conference make a great audience for follow-up with RLSA or display retargeting.

And don't forget about LinkedIn targeting in Microsoft Ads. Being able to use LinkedIn profile attributes to target is a big differentiator for Microsoft Ads, and it's especially useful for B2B advertisers.

Use micro-conversions as signals

Another way to create retargeting audiences is to use micro-conversions as signals for intent.

B2B has a long sales cycle – usually 12-18 months or longer. No one buys a six-figure business software system in a single visit with a credit card.

The process usually involves a lot of research, with multiple touchpoints along the way.

Users might follow these steps on the way to purchase:

- Read an article
- Download a whitepaper
- Read an ebook

- Request a demo
- Sign up for a free trial
- Contact sales
- Purchase

Each of these actions represents a micro-conversion.

You could create audiences for people who downloaded a whitepaper. You could even segment this further by creating audiences based on the type or product of the whitepaper they downloaded if you're selling multiple products or targeting multiple audiences.

Retarget users who downloaded a whitepaper with an offer for a free demo or trial. Then retarget users who signed up for a demo or trial, asking them to contact sales.

If you sell to multiple business sizes, you can also start to segment by small business vs. large enterprise based on the content they consumed.

Using first-party data is an investment – of time and money

The days of simply picking an audience based on in-market traits or affinity groups are numbered. Lazy marketing is soon to be a thing of the past.

Now is the time to start building your first-party audiences and think about your buyer journey.

Get serious about creating micro-conversions and paid social audiences to reach your target.

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