The Cookie is Actually Crumbling in Advertising: Here’s What to Know in B2B vs. B2C

Cookies have long been used by advertisers looking to track consumer activity across the web in order to boost their advertising efforts.

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Cookies basically work like this: The cookie tracks the consumer, then the advertiser can better understand and target said consumer. The practice has had its place, but its time is starting to come to a close.

In fact, Google and Apple recently made dramatic changes to cookies, foreshadowing a future without them. Many people have since been talking about how this will shake up the ad landscape, but there’s one more key point to add into this conversation: how these changes affect B2B and B2C advertisers differently. Here’s more about how each business model is likely to be impacted.

First-party vs. third-party data

Before digging into the B2B vs. B2C issue, it’s important to recognize the different types of data. First-party data is the data on a company’s site that the company itself owns. First-

party data is not affected by these cookie changes because it belongs to the company already. Businesses will still be able to see visitor activity on their own websites and channels, and track it as they wish.

Third-party data, however, is what's being affected. This is the data that tracks consumers across the web on sites that are not your own. This could include website browsing, purchase history and more.

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B2B vs. B2C

When it comes to the impact that cookie deprecation will have on business' advertising, B2B companies need to be viewed quite differently than those in the B2C world. To start, their go-to-market strategies are completely different. In recent years, B2B marketers have shifted away from casting a wide net. Instead, many are now choosing to create an account-based experience (ABX).

So, how does this tie into cookies? Well, the goal of getting rid of cookies is to retain consumer privacy. Instead of tracking individual data, in a cookie-free world consumer data will be shown at a cohort level. Since ABX only identifies individual users as part of an organization or account, this aligns and works beautifully with the deprecation of third-party cookies. In effect, account-based targeting of ABX is akin to cohort targeting. For B2B, those following a true ABX approach with intent data are already using an effective form of contextual targeting and are poised to compete in a cookie-less world.

B2C companies are a different story. These businesses are actually focused on individuals, so shifting to a cohort level of data will certainly shake up advertising strategies. But,

Google says its third-party cookies will be phased out over the next year or two, so the change will be more gradual than many people realize. Google is working on alternate ad initiatives that purport to yield at least 95% of the conversions per dollar spent when compared to cookie-based advertising so other options will become available.

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Preparing for change

Now that you're aware of the key differences between how cookie deprecation will impact B2B vs. B2C businesses, what's next? Companies in each category must plan to modernize their ad approach and make the most of this next wave of privacy-first data.

The best way that B2B companies can roll with the punches of these changes is to first evaluate whether their technology is ready for it:

- Ask yourself if your marketing automation and account-based solutions draw upon multiple data sources, or if they primarily rely on cookies? Of course, the former is ideal since the latter would mean you'll be heavily affected.
- Consider how your systems source intent data; is it by using IP-address identification or cookies? Again, the former is what you want to have. If your tech is not set up for these changes, it's a good idea to consider other options now while you have the time.
- Recognize red flags in certain solutions that are being billed as effective (e.g. email signature spyware and chatbot tools can actually clutter your data and produce inaccurate signals.)

B2C companies should retain their existing ad strategies for now, but keep in mind that the future will eventually be cookie-less. Keep an eye out for alternative ad strategies from the big players like Google, and be ready to move forward without such a major reliance on cookies.

It’s always a net positive when technology providers put consumers and their privacy first, but it can come with challenges. As long as you understand how these latest changes may affect your business, you can make the most of this next wave of advertising. Remember: Cookies may be crumbling, but your ad strategy doesn’t have to.

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