

# Google No Longer Deprecating Third-Party Cookies



## GOOGLE REVISES ITS STRATEGY

After numerous delays, Google began a trial run of its new Tracking Protection feature on January 4th, 2024. The aim was to eventually restrict website access to third-party cookies by default, starting with just one percent (~30 million) of Chrome users globally. By the end of the year, Google planned to eliminate cookies for all Chrome users. However, less than eight months later, Google abandoned this plan.

The primary reason for phasing out cookies was to improve user privacy. Instead of an all-or-nothing approach, on Monday, Google pivoted, announcing that they would no longer deprecate cookies. Instead, they are introducing a “new experience in Chrome” that allows users to choose and adjust their cookie settings at any time. While the specifics of the privacy measures are unclear, they are expected to be similar to Apple’s App Tracking Transparency controls.

## KEY FACTORS BEHIND GOOGLE’S DECISION

Why did Google change its approach to deprecating third-party cookies? According to Google, they realized that the transition required substantial effort from numerous stakeholders and would significantly impact publishers, advertisers, and everyone involved in online advertising (including Klick and its clients). Feedback from various stakeholders, most notably the UK’s Competition and Markets Authority (CMA), highlighted concerns and challenges related to this deprecation.

- **Ad Industry Pressure:** Advertisers and publishers heavily rely on third-party cookies for targeted advertising, audience segmentation, and measurement. With over 65% of web browsing being performed on Chrome, the discontinuation would have disrupted established practices and workflows within the advertising industry. Publishers, in particular, have faced challenges dedicating resources to Privacy Sandbox testing. Overall, the CMA was concerned about Google favoring its own ad tech providers and ad inventory. An additional, more significant concern arising from initial testing is the presence of latency issues and a potential loss in ad revenue.
- **Competitive Landscape:** The CMA noted that Privacy Sandbox could give Google an unfair advantage over other ad tech platforms and publishers, which could hurt advertisers, users, and competitors. For example, Google could benefit from granular profiling and targeting tools while limiting rivals’ access to the same data. Google’s competitors were developing alternative tracking methods that could potentially bypass Google’s restrictions on third-party cookies. This competitive pressure likely influenced Google’s decision to maintain a level playing field.

- **Privacy Concerns and Regulation:** While Google emphasized its commitment to user privacy through initiatives like Privacy Sandbox, removing third-party cookies without a suitable alternative raised concerns about unintended consequences and potential regulatory scrutiny. Another callout from the CMA was concern about imposing unfair terms on Chrome users. By maintaining third-party cookies for now, Google can continue to work on privacy-preserving alternatives while minimizing disruption.
- **Adoption Challenges:** Transitioning away from third-party cookies requires widespread adoption of new technologies and standards across the industry. Privacy Sandbox has shown promising results but has only been tested by 1% of Google's audience. Google may have determined that the timeline and readiness of this alternative is not yet sufficient to meet the needs of advertisers and publishers without causing significant disruption. Additionally, the CMA has expressed concerns about unequal access to user tracking functionality.

While presenting a prompt to Chrome's billions of users is less drastic than altering the default settings, it could still significantly decrease the number of users permitting third-party tracking. As such, adaptability and compliance with privacy standards will remain vital for advertisers.

The good news is that Klick's programmatic team has been proactively developing a variety of data strategies over the past few years in anticipation of cookie deprecation. Following Monday's announcement, we will continue our test-and-learn approach, focusing on contextual targeting, cookie-less audience models, and exploring alternative identifiers.

Maintaining data fidelity while ensuring user privacy is central to our data strategy. Although this approach is fragmented, data interoperability across platforms and signals will help us connect and streamline a more targeted strategy. Audience quality measures and outcomes will continue to be the ultimate factor in the effectiveness of our approach, and that will not change with Google's recent decision.

## THE IMPORTANCE OF THIS ANNOUNCEMENT

Google's choice to maintain third-party cookies allows advertisers to continue their campaigns without disruption. However, we must remain adaptable to evolving privacy regulations and advancements in ad tech solutions.

## NEXT STEPS

Klick Programmatic recommends engaging with your programmatic leads and managers to discuss testing opportunities during this period of uncertainty. Leveraging their expertise and partnership will ensure readiness and adaptability for a future without third-party cookies, regardless of Google's next steps.



We welcome your questions  
and feedback. Please contact

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