

# COOKIELESS WORLD WHAT YOU NEED TO KNOW RIGHT NOW

DDMA WHITEPAPER, APRIL 2022

DATA

DATA

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# INTRO



# 00 INTRO

Data-driven marketing is currently undergoing an unprecedented transformation. Tech parties are taking privacy-enhancing measures and stricter legislation is on the horizon. Consumers have ever-higher expectations in terms of privacy, but also where service and relevance is concerned. One of the most impactful developments is the disappearance of third-party cookies. This started a few years ago at Firefox, and came to a head last year after Google also announced it would stop using cookies in Chrome, the world's most-utilized browser, in 2023.

As a member of DDMA, you're always prepared for what the future may bring. So we're very much on top of these changes, as the consequences for our members can be felt in the short term, but especially as it also offers the opportunity to structurally redesign your marketing and customer strategy (see also chapter 1). We're pleased to be able to help you in that regard. Our cookieless world project started last year with the [DDMA Barometer](#). We looked into how well organizations were prepared for a world without third-party cookies. To create extra awareness, we organized a [DDMA Talk Show](#) in June, which generated over 500 viewers.

In the autumn, 5 committees (Data, Decisions & Engagement, Digital Marketing Transformation, Social Media, CRO and Search) joined forces for a series of 3 Deep Dives about the cookieless world. Through practical tools and practical examples, we dived to the depths of the

matter, based on the 3 biggest challenges that emerged from the Barometer: customer profiles, measurement and personalization. In this white paper, we'll summarize all of the key insights from these Deep Dives. Of course, we'll take into account the most recent developments, such as the investigation by the Autoriteit Persoonsgegevens (Dutch Data Protection Authority) into Google Analytics, and the fine issued to the IAB Transparency and Consent Framework. This document will incorporate everything you need to know about the cookieless world.

This white paper is also the starting signal for us to tackle this theme even more broadly in 2022. The disappearance of third-party cookies is part of a larger movement, and the reason why we're shifting from a cookieless world to a privacy-first world in our knowledge activities this year. How can you maintain optimum relevance for your customers, members or donors within the right channels and at the right time, when there is an ever-decreasing amount of personal data available? That is the question we are going to answer together with our members this year. We'll start with a Barometer once again, and follow it up by using the results from that for a series of events later in the year.

Have fun, and good luck with all the changes! Is there anything else you'd like to ask? If so, just send an email to [info@ddma.nl](mailto:info@ddma.nl). Is your question legal in nature? If so, mail it to [legal@ddma.nl](mailto:legal@ddma.nl).

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01

# WHY THE COOKIELESS WORLD IS AN OPPORTUNITY

# WHY THE COOKIELESS WORLD IS AN OPPORTUNITY

## Online marketing has come of age

When sharing data with organizations, consumers find trust, control and transparency the key factors. This is evident from [the Global Privacy Monitor published in March 2022](#) by GDMA, the umbrella organization of DDMA. Fortunately, organizations have also become increasingly aware of this in recent years – and rightly so, because for a lengthy period, online marketing was not necessarily transparent for users, and people had little control over it. Fortunately, online marketing is becoming increasingly mature, with organizations starting to look more and more at the relevance of their data use for consumers, and also being more transparent about it. Consumers also expect that, according to the Global Privacy Monitor. The majority are aware of their privacy rights and views the sharing of data as an essential part of society. For an increasing number of people, a relevant, personalized offer is also an important reason to share data with an organization.

The imminent cookieless world matches this development. Cookies have their origins in 1994, and were initially conceived for something that is now very common, namely remembering what is in your online shopping cart. Later, among other things, third-party cookies were added, enabling parties to also find and retarget customers on other websites. The dependence on third-party cookies within organizations is high, [according to the 2021 DDMA Barometer](#). For example, no less

than 94% used third-party cookies for web analytics to measure visitor behavior. Third-party cookies were also still in use for marketing performance (86%), retargeting (79%), building customer profiles (65%) and setting up A/B testing or on-site personalization (60%), with only 2% of brands surveyed stating they do not use third-party cookies.

## Make your customer relationship future-proof

The disappearance of third-party cookies will therefore certainly be felt in the short term. How are you going to obtain information about your customers and their behavior, which you previously received through cookies or could deduce, in this new reality? Coming up with alternative technological solutions is a logical step, but it's equally important to take a closer look at the entire relationship with your customers. Now is the time to make your marketing and data strategy and your customer relationship future-proof, with less dependency on (data from) third parties and more transparency and control for your customers.

It's for that very reason that it's best not to start with the question of how you can still obtain the same information about your customers, but to instead ask yourself first why you would like to use that customer data. What's really in it for the customer? How do you accumulate the data, and where are you going to apply it?

But also: what data do you not need to help your customer? These questions have traditionally not been part of the repertoire of marketers, but are now appropriately being asked a great deal more often. A clear data strategy, as well as clear communication about it to customers becomes even more important. After all, in a world without cookies, you can't avoid asking for information directly from your customers more often – and you'll need a good story to back it up, which is exactly why the cookieless world is a positive development in the long term.

### **Finding a place for your data proposition within the customer journey**

Clear communication and transparency on data use is advantageous to both organizations and their customers. Organizations that offer plausible explanations for their use of data and what exact benefits the customer will derive from it, will definitely have the advantage over their competitors. Tell an honest story that is in alignment with your organization and what you stand for. [Ikea's Data Promise](#) is a good example of this: by linking the benefits for the customer to the distinctiveness of your product or service, your story or promise comes across more solidly. Instead of a 'necessary evil', your data transparency becomes a USP in itself. On the back of the trust you build through that, and the added value for the customer, your customers will also be more inclined to share their data with you.

Through that data, you can then improve your services and make a relevant offer at the right time. If applied properly, this creates a positive vicious circle from which both parties will benefit.

Naturally it can be a challenge to determine which place in the customer journey will lend itself best to your data proposition or story, as you need to explain the importance of, for example, website personalization for both your customer and yourself, and often also ask for the required consent (not always, by the way, see chapter 2). Those are nevertheless two messages that customers aren't currently getting by default, and can slow down the acquisition process somewhat or lower the conversions. On the other hand, your customer relationship and trust are reinforced if consumers make a conscious choice due to your transparent explanation. The right design and balance in terms of conversion and transparency differs per organization, but the key element is to make sure your data proposition becomes a structural part of your customer journey.

In the coming chapters, we'll show you how to do this and which steps you can take to realize a future-oriented first-party data strategy. We'll explain how to set it up, how to do this compliant and what the added value is. Next, we will discuss both the cookie-free challenges and solutions for measurement, concluding with a case from HEMA, the winner of the 2021 DDMA Customer Data Award.

DATA

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02

# COMPLIANT IN A COOKIELESS WORLD

CTR  
14.65%  
↑ 10.6%

Quality Score

9.38  
↓ -0.1%



## COMPLIANT IN A COOKIELESS WORLD

### Main legal developments

There are a number of developments taking place at a legal level that will affect the cookie issue as well as your marketing strategy in general. There have been rumblings among both legislators and regulators, and consumers are becoming increasingly privacy-aware. It is partly for this reason that tech parties are implementing various privacy-enhancing measures. The message from Europe is clear: if we as an industry fail to make marketing more privacy-friendly, there is a good chance that legislators and regulators will force us to do so in the long term. Below is a list of the key legal developments for you.

### ePrivacy Regulation

The law to replace the ePrivacy Directive and Telecommunications Act has been on the drawing board in Brussels since 2017. One of the hot topics in this process is the use of cookies. The discussion is mainly about 2 points: should an option to block third-party cookies via the browser be made available, and should a cookie wall be banned?

One of the proposals offered is for publishers to be allowed to place a cookie wall on their website, if there is a cookie-free alternative. A cookie-free alternative could be, for example, a paid version of a website, or an equivalent alternative from another provider where you do not have to accept cookies. For example, in the Netherlands, nu.nl could invoke this, because you can read cookie-free news on nos.nl.

Due to the slow decision-making process, technology and practice seem to have already overtaken the ePrivacy Regulation in some respects (because as we know, the phase-out of third-party cookies by major tech parties has already started).

Learn more at:

[ddma.nl/legal/wetgeving/eprivacy-verordening](https://ddma.nl/legal/wetgeving/eprivacy-verordening)

## Digital Services Act

The European Parliament approved an amended version of [the proposal for the Digital Services Act \(DSA\)](#) in February 2022.

Now that the attention for the ePrivacy Regulation has decreased somewhat – perhaps due to the long decision-making process – the DSA has been firmly in the spotlight in recent months. This package of new rules for digital services highlights a few interesting points that affect the use of cookies and personalized advertising, which are:

- Parliament explicitly states that online platforms should not use dark patterns, which are manipulative UX tricks that can mislead users.
- With regard to personalized advertising, the government has proposed rules to ensure greater transparency and choice. For example, the government is proposing that information should be provided on how accumulated data is used to generate income.
- A previously proposed total ban on targeted advertising is (fortunately) off the table for the time being.

## Nudging in cookie banners

In terms of nudging - influencing and directing people towards a certain choice - there is no new legislation. However, regulators are taking an increasingly stringent view of nudging in cookie banners, where this technique is widely implemented, such as a green button for accepting cookies for instance, and a grey one for refusing them - or a hard-to-find link if you want to adjust your cookie preferences in the second layer, but the means to be able to accept cookies readily in the first layer.

[In Germany](#) and France, fines have already been imposed for the use of these types of techniques in cookie banners, including Google's cookie banner. In the Netherlands, there is no penalty as yet for nudging in cookie banners. What may play a role in this is the fact that two supervisory authorities could act here: the ACM (from a Telecommunications Act / ePrivacy Regulation perspective) and the Dutch Data Protection Authority (from a GDPR perspective). In any event, the ACM has at least incorporated nudging in its Guideline for the Protection of the Online Consumer. NOYB, the organization of privacy activist Max Schrems, [filed 422 formal complaints](#) last year with various regulators in Europe about cookie banners.

As an organization, it is therefore wise to take a critical look at the degree of nudging in your cookie banner. It is difficult to estimate where the boundaries are in this regard, because how much conversion is left if you give visitors an exact equal choice between accepting and refusing cookies? As already mentioned in chapter 1, one thing you should always do is be clear and transparent about why you as an organization want to place cookies and what benefits are passed on to the customer in that regard. Later this year, DDMA will publish an advisory document on cookie banners and the ideal balance between transparency, privacy and conversion.

### **Transparency and Consent Framework under siege**

On 2 February 2022, the Belgian Data Protection Authority (GBA) ruled that the Transparency and Consent Framework (TCF) is at odds with the GDPR. The TCF is widely used in the European online advertising market. Organizations use the system to place cookies for collecting personal data, which is used in the Real Time Bidding process of online advertisements. IAB Europe, the developer of the system, is to be issued a fine amounting to 250,000 euros, and given 2 months to come up with a plan to resolve the GDPR inconsistency.

The Dutch Data Protection Authority has also issued warnings through the media. However, it is still unclear exactly what the GBA's decision entails for TCF users and other advertisers. In any case, the issued fine shows that the European supervisory authorities are keeping a watchful eye.

### **Sharing data outside the EU**

A final tricky issue is the sharing of data outside the EU. Since the Privacy Shield was declared invalid in July 2020, the transfer of personal data to the United States is officially no longer permitted. In line with this, the Dutch Data Protection Authority and other European privacy regulators are currently investigating whether the use of Google Analytics is in violation of the GDPR. There is no clear solution to date, but the European Commission and the US recently committed to an agreement in principle to get started with this. In addition, Google has announced that it will include additional privacy measures in the new version of Google Analytics (4). We will elaborate more about this in the article [Google Analytics under fire: what can you do now?](#).

## Compliant handling of first-party data

Due to the (legal) pressure on third-party cookies, companies will focus even more on entering into direct relationships with customers. The collection and use of first-party data – for example data related to your own customers – is therefore becoming increasingly important (see also chapter 3). Naturally, this has to be done in the correct manner. Using 5 steps, you can ensure a compliant way to build customer profiles with data and utilize it for marketing purposes.

### Step 1: Is personal data being processed?

This might be a no-brainer, but there must be personal data present before compliance with the GDPR becomes a factor. Personal data represents any information about an identified or identifiable natural person. Almost all information you add to a customer profile will be personal data. Such customer profiles are intended to distinguish one individual from another. Location data, customer IDs or surfing behavior are also personal data in such cases.

### Step 2: What basis are you using?

If you process personal data, you must always have a valid basis under the GDPR. The bases of consent, a legitimate interest or the execution of the agreement could be an option here. The choice of the basis is vital, because this largely determines what you can do with the data.

The fact that you have ever received this data does not automatically mean that you can build a (detailed) profile on the same premise.

We explain how to provide a good basis for, for example, Customer Match or Custom Audiences, in the [DDMA Explained: Custom Audiences](#).

### Step 3: What is the right method of notification?

Whatever basis you choose, the obligation to provide information is crucial. Whatever you have notified someone of at the time of obtaining the data determines what you are permitted to do with the data at a later stage. A mention of this in a privacy statement is often enough to build a customer profile, however, if you are going to use this data for marketing purposes, sometimes more is needed. Think, for example, of an extra information feature by means of an 'i' with an order form. Consumers also expect organizations to be transparent about this, according to the GDMA Global Privacy Monitor 2022.

### Step 4: How do you ensure an opt-out option?

In order to be able to build customer profiles and use that data for marketing purposes, you must offer an opt-out. This must be available both at the same time you notify the customer *and* at a later time.

**Step 5: What ethical considerations will you make?**

If you been thorough in taking the above steps, you will have set things up properly in a legal sense. But in addition, you can ask yourself the question: should you also want that? There is a (privacy) reason that we are moving away from cookies, and it would be a shame to now panic and resort to methods and techniques that are perhaps even more exciting and risky than the use of cookies. Therefore, you should both ask yourself the following questions and carry out some research into this. A webshop will be able to go further than, for example, a healthcare insurer.

1. Do we really need all the data we're going to collect?
2. Does the profiling/targeting feel intrusive to the consumer?
3. What do we want to convey as an organization (reputation and trust)
4. What do my customers deem acceptable?

**Cooperation between legal and marketing aspects**

With all these new developments, it becomes even more important for marketing and legal divisions to work well together. As a lawyer, join proceedings at an early stage, and explain thoroughly as a marketer both what is happening exactly, and what the plans entail. Consider the interests jointly. As a lawyer, you don't want to be faced with surprising events that suddenly emerge that you were completely unaware of. As a marketer, you don't want your campaign to be stopped after you've put in a lot of time and effort just because there's a legal anomaly. Set up procedures for this purpose, or form a multidisciplinary team within which both disciplines are represented. This way you'll avoid legal risks, but also delays and disappointments due to the possible last-minute cancellation of a campaign.

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03

# GETTING STARTED WITH A FIRST-PARTY DATA STRATEGY



## GETTING STARTED WITH A FIRST-PARTY DATA STRATEGY

### **The value of a data strategy**

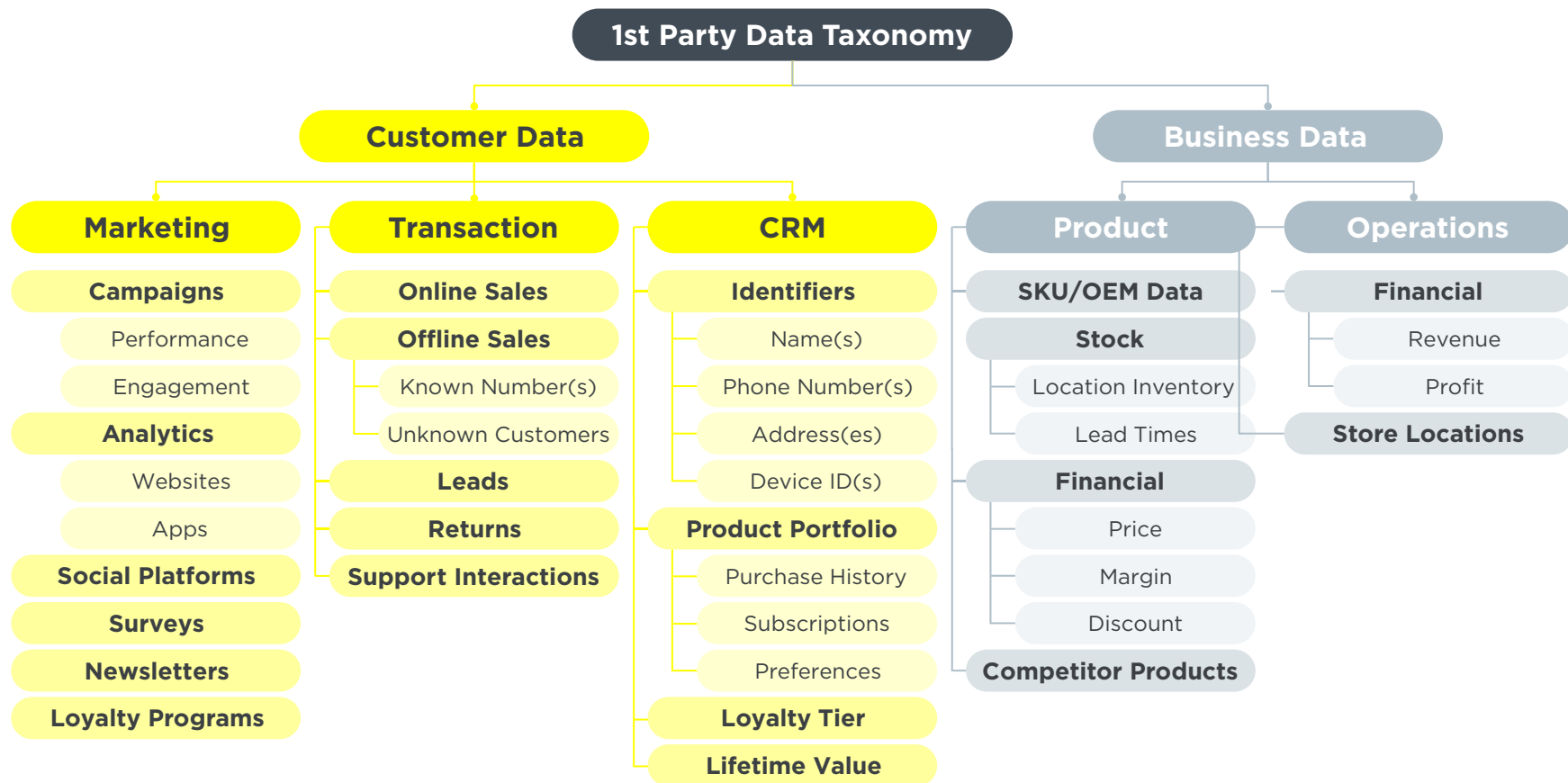
First-party data plays an increasingly important role in marketing. That development was already underway, and is even accelerating due to the disappearance of third-party cookies. The smart use of first-party data can largely compensate for the lack of cookie data, and help build direct relationships with customers. For this purpose, it is important that you as an organization work strategically and holistically, and do not try to solve the eradication of matters such as cross-site tracking and mobile device identifiers per channel. When setting up a data strategy of that nature, take a very long-term view, and of course take the legal requirements and the expectations of consumers into account.

A good data strategy enables organizations to build a central profile of their customers, and to communicate more relevantly and personally on this basis. We wrote about this earlier in our article series on the central view of the customer and at DDMA, we believe that an organization cannot function without it, which is why we have been awarding the DDMA Customer Data Award for years to organizations that have set up and utilized their data strategy in the optimum manner.

### **A central view of the customer with internal and external data**

The first step towards creating a central profile of your customers is to see what first-party data is available internally, and how it can be applied to increase relevance for both you and your customer. This can represent preferences of customers, but also transaction data and general company data. You can also link this internal data to external data from platforms, marketing channels and publishers (this is the so-called 2nd party data). From a technological point of view, bringing together data from different systems has become increasingly accessible thanks to data lakes. A central location of that nature for all your data can help you achieve your business objectives in several ways. Among other things, it forms the breeding ground for your marketing channels, can contribute towards product improvements, and enables personalization via apps and the web. Thanks to algorithms and machine learning, a large part of this activation can even operate in a fully automated manner.

## First-party data





## First-party data for activation and measurement

One example of how first-party data can be used for activation purposes on advertising platforms is ID matching. Tech platforms such as Google and Facebook, but also Dutch publishers such as DPG Media, actively offer this option. Through 'hashed' IDs, customer data is uploaded onto the platform, where you can use it for the targeting - enriched with platform data - of existing customers with a service proposition, or an additional offer or from potential customers who are similar to your existing customers. In such campaigns, you can also use ID matching to exclude existing customers from a campaign. When considering whether this form of marketing suits your organization and customers, it is good to realize that hashing does not mean that data can no longer be traced back to an individual. In chapter 5, we'll provide an example of an organization that uses ID matching as one of the means to personalize the cookieless process.

First-party data can also play a role in the field of measurement. The disappearance of third-party cookies creates gaps in measurements. For example, you will no longer see all of the conversions in advertising platforms, rendering any statements you make about the impact of your marketing campaigns less reliable. Modeling is a method that helps you get closer to the truth, but not enough to catch all the lost conversions. First-party data is needed to make the estimates more precise. We'll take a more in-depth look at this in chapter 4.

## Keep investing and remain flexible

In addition to a solid configuration of your infrastructure, flexibility also forms an indispensable part of your data strategy. Building and maintaining relationships with your customers is an ongoing process that always requires attention. Moreover, there is no single technology that allows you to simply replace third-party cookies, plus the advertising ecosystem continues to change, as the cookieless world is only the first step on the road to a privacy-first world. Testing, trying out and investing in new technologies and techniques, such as modelling, is therefore the motto.

04

# MEASUREMENT DILEMMAS (AND SOLUTIONS)

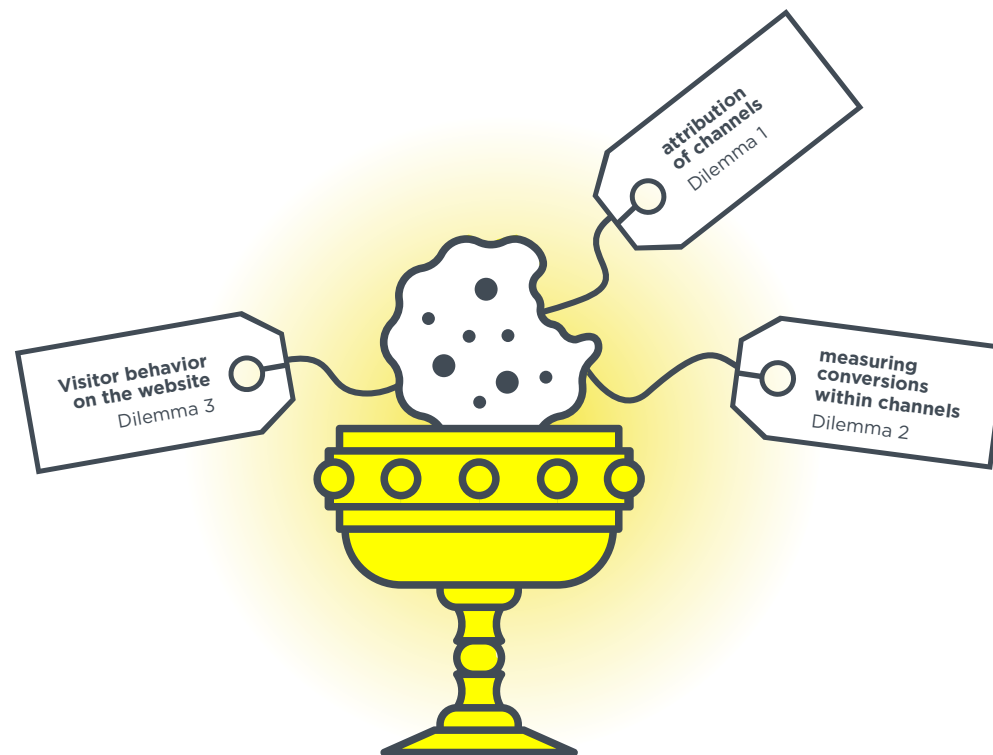
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## MEASUREMENT-DILEMMA'S (EN OPLOSSINGEN)

### No holy grail anymore

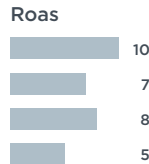
We have already argued the fact earlier in this publication that the disappearance of third-party cookies is a positive development for both you and your customer in the long run. That does not alter the fact that the consequences for organizations are considerable, especially where measurement is concerned. In recent decades, marketers have simply been spoiled by cookies. Thanks to cookies, you can, among other things, collect data outside your own environment and find out whether a visitor has been on your website before. This made the cookie the holy grail for analyzing marketing activities, measuring campaign success, or working out the effect of communications on turnover. Everything was – or at least seemed – measurable, and that time has now passed. You can already notice the gaps in your analysis or measurements being less reliable. In this chapter, we'll zoom in on various measurement dilemmas that arise from, among other things, the disappearance of third-party cookies and look at available solutions.



## Multi touch attribution



## Media mix modelling



## Attribution of channels

How do you justify the contribution of a marketing channel to your revenue growth or other business goals, and assess how well spent your euro has been? These are key questions for marketers. Multi Touch Attribution (MTA) was the buzz word for some years. This was an attempt to assign a value to the final purchase from every touchpoint within the customer journey, from a view of a banner to a click on the website. However, retrieving this type of data at user level is becoming increasingly difficult, so you can no longer completely reconstruct the path your customer follows. As a result, the accuracy and value of MTA is therefore diminished.

## Unified Approach

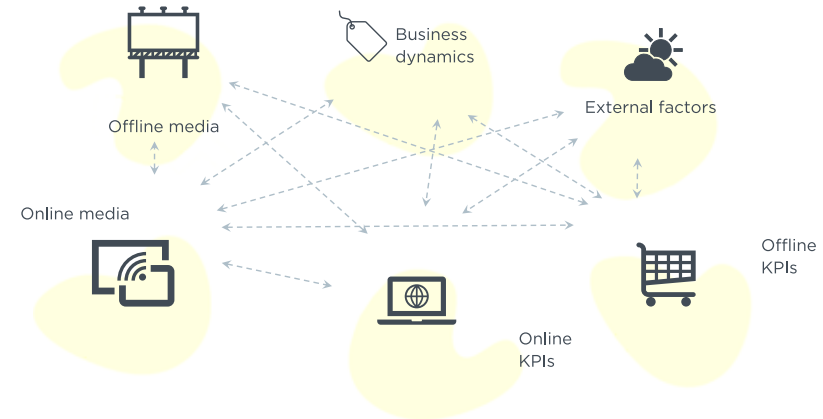
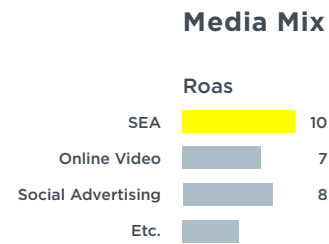
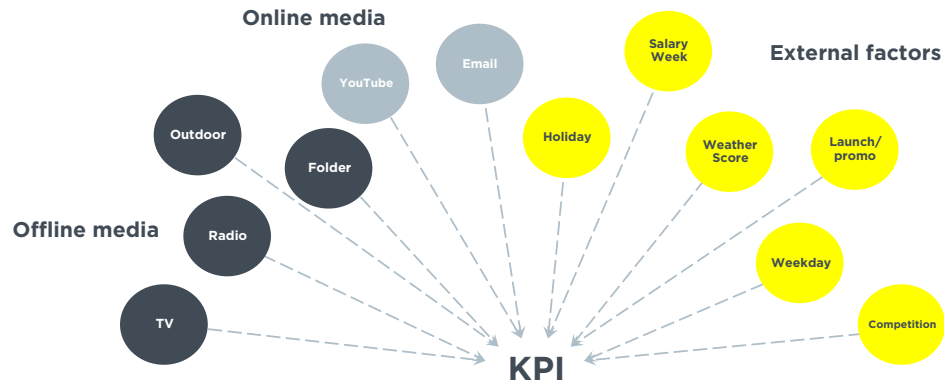


Image: Objective Partners, presentation at DDMA Deep Dive on December 7, 2021

However, the reduced reliability of this user-level data is not the only reason why advertisers are increasingly looking beyond MTA. MTA is especially suitable for measuring conversions on online channels. For linking with offline channels, linking with other KPIs such as branding or sales in the store or measuring external factors, you run into limitations if you only use an MTA model. In order to determine the effectiveness of a channel within the media mix and to make budget choices, an increasing number of advertisers are looking at modeling data, or Media Mix Modelling (MMM). This allows you to look further than just the online conversions and take external factors into account. Another advantage is that this measurement method does not depend on cookies. However, a relatively large amount of historical data about your expenses and revenues is needed, of at least a year or more, and some time investment is really required to set this up properly.

## Media Mix Modelling (MMM)



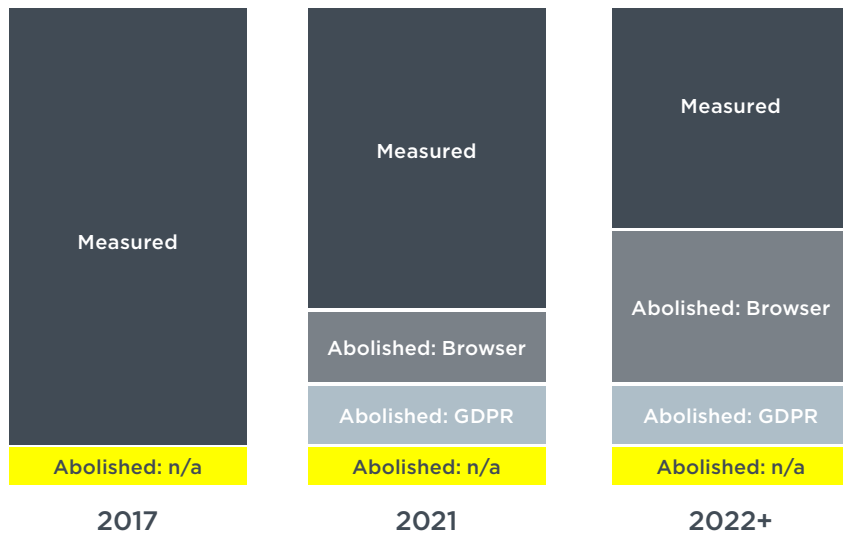
**Channel: SEA**

|                | Roas |
|----------------|------|
| Search term A  | .... |
| Search term B  | .... |
| Search term C  | .... |
| Advert A       | .... |
| Advert B       | .... |
| Advert C       | .... |
| Target group A | .... |
| Target group B | .... |
| Target group C | .... |

Image: Objective Partners, presentation at DDMA Cookieless World Deep Dive on December 7, 2021

## Channel optimization and on-site tracking

For measuring across channels, Multi Touch Attribution has become less valuable due to all of the current developments, but this doesn't mean it can no longer be utilized. For measuring the effectiveness of campaigns within advertising platforms for example, MTA is definitely still relevant, and that information is necessary to keep optimizing campaigns: for example, which target group choice or content works best. MTA is not the only measurement method for this purpose; we'll describe some methods below that can be utilized for this purpose, even in a cookie-free world where less conversion data is available. Measuring actions that take place after the click on an advertisement has understandably become more difficult in particular.



### Modeling

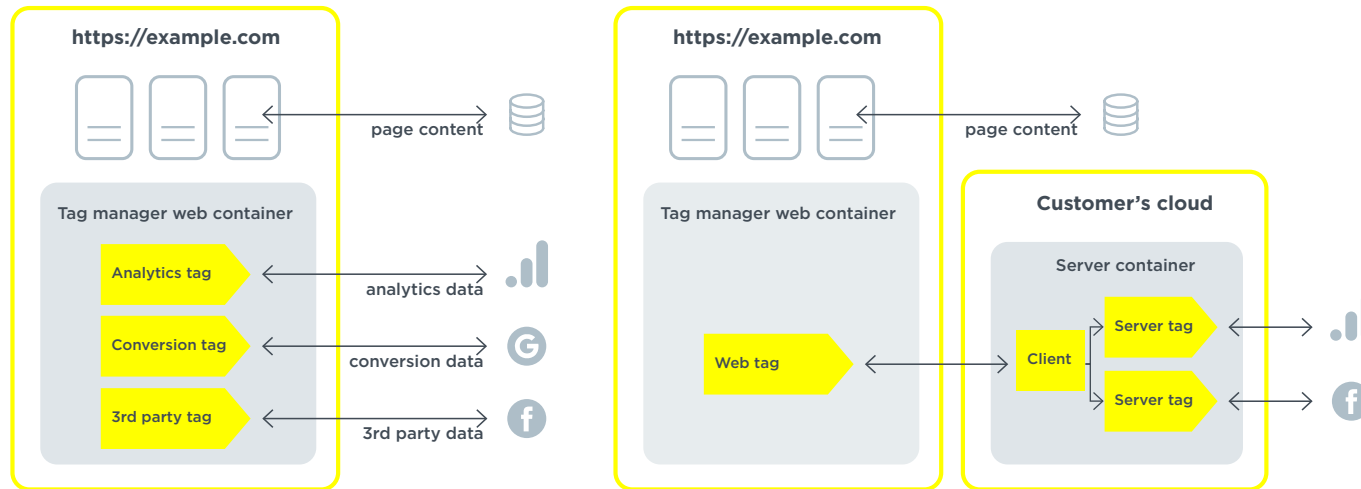
Modeling can also represent a solution for channel optimization. Platforms such as Google and Facebook already automatically model some of the missed data themselves. They also offer specific solutions, such as Google Consent Mode, whereby you load (first-party) data to make the estimate more precise. The advantage of this method is that it doesn't require a lot of time or money, but it is not completely transparent, because you do not know exactly how the advertising platforms create the modeling.

### ID matching with first-party data

ID matching based on first-party data was already mentioned earlier in this publication. By sharing conversion data from your website based on an ID (such as a hashed e-mail address) directly with an advertising platform, the intervention of cookies is redundant. The advantage is having more control over the data and also being able to enrich the data with other relevant data from your organization, such as profit data. However, this way of working requires a large investment in terms of time, and having your first-party data strategy in order is indispensable (see chapter 3). In addition, as mentioned earlier: as an organization, make the decision yourself whether sharing first-party data with third parties aligns with the expectation of your customers. Always be transparent and explain to customers what you do with their data and the reason for it (see chapter 1).

### Server-side tagging

Server-side tagging is a method where you are no longer dependent on browsers and cookies for measuring transactions. This is necessary, because without cookies, measuring transactions via a thank you page for example, is no longer possible. With server-side tagging, you set up your own tracking domain so to speak (there are various tools for this purpose). Via this domain, you send the data to servers of the advertising platform, in order to still be able to view which advertisement has led to which transaction.



## Use multiple methods and keep testing

We've purposely described multiple methods above, because a single holy grail for measurement, as the cookie may once have been, just isn't available, and may never be again. Therefore, always use multiple measurement methods in conjunction with one another. For example, you can achieve different goals – such as campaign optimization or measuring channel effectiveness – but also combine different sources. Testing is also greatly significant. Test different measurement methods to see which ones suit you best, but above all use testing itself as a method. Vary expenditure periods by channel, stop a channel for a certain amount of time, or take an ad-level A/B test. This way, you can observe different levels to see what works best and continue to optimize.

05

# OMNI-CHANNEL PERSONALIZATION WITH FIRST-PARTY DATA AT HEMA



# 05

## CASE: OMNI-CHANNEL PERSONALIZATION WITH FIRST-PARTY DATA AT HEMA

### Situation

In recent years, retailer HEMA has been building a first-party data strategy with automated and personalized activation across various channels, Daniel Franco, Manager Media & Advertising, told one of the DDMA Cookieless World Deep Dives in late 2021. A number of challenges lay at the foundation of the renewed approach, for which the retail chain [picked up the DDMA Customer Data Award 2021 in 2021](#):

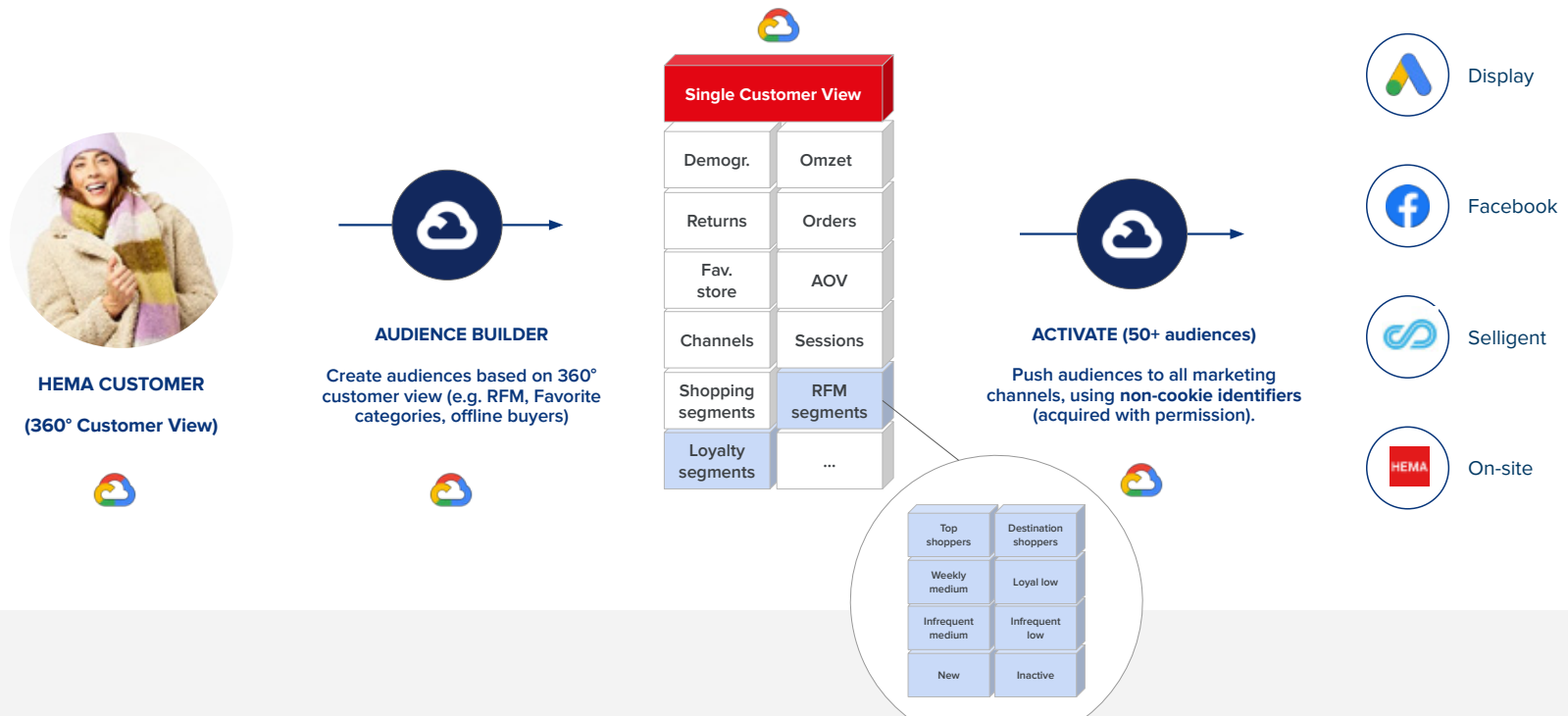
1. Because of the developments in the field of privacy & cookies, customers are less easily accessible online. In which ways is HEMA still able to reach its broad target group?
2. With more than 4 million customers, HEMA has a huge amount of data, both online and offline (including the meerHEMA loyalty program). How can this data be converted into relevant insights and activations that offer added value to the customer?
3. Competitive pressure is increasing from all sides, with HEMA often having to deal with competitors with a more specific and broader range per product category (such as duvets).
4. Unlike a travel operator for example, HEMA has a very wide range in which different customer journeys are intertwined.

### Automated advertising from a central customer profile

By combining data from different sources – websites, e-mails and social media, but also shopping behavior, HEMA has amassed a more complete profile of the customer. The loyalty program 'meerHEMA' is crucial for the connection between online and offline behavior. For example, online campaigns can be used to draw people to the store. Conversely, shopping behavior can be used to show customers and potential customers the most relevant message online.

This central customer view forms the basis for segmenting target groups and serving content via, for example, search, display and social media. First-party data is linked to data from the platforms via the ID-matching described in chapter 3, for example to attain look-a-likes of existing customers, to exclude customers, or to serve customers the most relevant content. This process is conducted, among other things, fully automatically, through the Offer Decision Engine, which automatically determines who sees which products and advertisements based on customer data and behavior.

## Phase 1: Target groups divided into marketing channels (to scale).



Visual: HEMA/Merkle, presentation at DDMA Cookieless World Deep Dive on December 7, 2021

## Phase 2: Which content?.



Because of this first-party data activation, there are no panic buttons being pressed at HEMA over the disappearance of third-party cookies, especially not in terms of targeting. Franco: “We have also been able to conduct excellent marketing throughout the 60-year period before cookies, and will continue to do so for the subsequent 60 years after cookies; the thing is to ensure that you are continuously prepared for changes in the marketing and media landscape. In addition, HEMA uses enough other means such as contextual advertising, TV, radio, and outdoor advertising to reach (potential) customers who are less or not at all bothered by cookies.”

## 5 determining factors for success

HEMA's first-party data strategy is paying off, both in terms of sales and revenue, and in terms of satisfied customers. There are 5 aspects that are key for the success of the approach:

1. Try to get ahead of developments and changes and don't be hesitant – make sure you have people who are constantly working on that. The first-party data approach was already in the making even before the first reports about ITP surfaced, but that development did turn out to be an additional reason to accelerate implementation. After the marketing team sounded the alarm, the management made extra people and budget available for that purpose.
2. The link between online and offline data due to the loyalty program is indispensable for a retailer like HEMA.
3. A solid marketing technology stack combined with a central customer view, automation and predictive algorithms.
4. Don't just target your highest-scoring customers, no matter how tempting that is when you're judged on performance. There is no infinite growth in this top group. In the case of HEMA, there are still millions of people who cannot be targeted based on customer behavior. Therefore, combine detailed targeting with TV, radio and contextual advertising to avoid blind spots and attract new customers.
5. Conduct a lot of tests, and also be bold enough to exclude loyal customers from targeting for long periods of time, to determine the customer value of targeting even more effectively (and that value is certainly there, according to tests).

# WHAT'S NEXT

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## What's next?

As we mentioned previously, the cookieless world is part of a broader movement; this is merely the beginning. The Digital Services Act is imminent, which will include changes to personalized advertising. There are rumblings among regulators, and tech parties continue to announce measures. For example, Google recently announced that it would stop third-party tracking in Android, following Apple's lead with iOS14. With this white paper at your disposal, you are well prepared for any changes, but it is important to keep following developments, so once again you've come to the right place at DDMA this year.

It goes without saying that you will receive ongoing updates on legislation and regulators from our legal team via our website and the [DDMA Legal Newsletter](#). In addition, we'll publish the results of the DDMA Barometer in June, to show how the sector is doing in terms of omni-channel customer experience in a privacy-first world. And we'll be organizing - just as we did in 2021 - another series of Deep Dives for a more in-depth look into the material:

- **21 June: Omnichannel customer experience in in a privacy-first world 1: Collect**
- **13 September: Omnichannel customer experience in in a privacy-first world 2: Analyze**
- **10 November: Omnichannel customer experience in in a privacy-first world 3: Activate**

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# ABOUT DDMA

DDMA is the largest association for data-driven marketing, sales and service. We are a network of advertisers, non-profits, publishers, agencies and tech suppliers that use data in an innovative and responsible way to interact with consumers. With knowledge and advice, we help our members to work in a data-driven and customer-oriented way, to develop a vision on data use and deal with legal changes. We also give our members a voice in The Hague and Brussels, and we are professionalising the sector by developing self-regulation.