3rd-Party Cookie Phase-Out 2024



What is the 3rd-party cookie phase-out?

The growing practice of browsers preventing websites from setting 3rd-party cookies.

Why phase out 3rd-party cookies?

Privacy has become a competitive differentiator for tech organizations since consumers respond negatively to having their data unknowingly collected, stolen, or used for advertising across domains. Phasing out 3rd-party cookies helps browser vendors maintain or grow market share.

Which browsers have phased out 3rd-party cookies?

Firefox and **Safari** have blocked 3rd-party cookies over time since 2013 and account for about **22% of the market share**. Everyone is paying attention now because Chrome, which has close to 65% market share, is beginning to phase them out.

Why is Chrome finally phasing out 3rd-party cookies?

Google has been in a difficult position because they are both the leading provider of digital advertising and a browser vendor. Historically, 3rd-party cookies were the best way to track a user's interests, which helped Google serve relevant ads, which improved Google's revenue. They've taken 3-4 years to carefully and collaboratively design a method that will maintain ad relevance (and hence, Google's revenue) while also preserving consumer privacy.

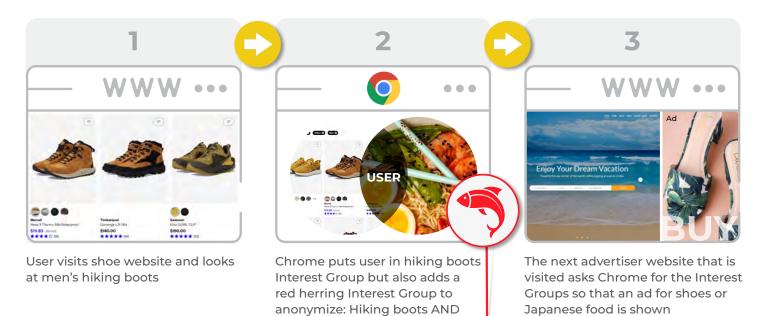
What is Chrome doing?

Starting in January 2024, Chrome will block 3rd-party cookies for 1% of users. Chrome has also launched new browser features that allow advertising networks to gather user interests to serve relevant ads and bridge a few technology gaps left by 3rd-party cookies. Key concepts you need to know:

<u>Privacy Sandbox</u> - This is the name of Google's umbrella initiative that provides all of the following concepts.

Interest Groups - Chrome will determine users' Interest Groups by observing and recording their browsing activity. Instead of 3rd-party cookies tracking user activity across apps and websites server-side, now users' interests will be stored client-side, giving users some control over them. When websites request a user's interests, Chrome will add random Interest Groups to the user's list to further anonymize them. Advertisers will then ask Chrome, not Google's server, for the user's Interest Groups to determine which ads to serve.

Interest Groups Illustrated



Topics API - This is the name of the new Chrome API that provides Interest Groups to websites.

Japanese food ●-

Related Website Set - Currently, some organizations use 3rd-party cookies to record analytics across multiple domains that they own, e.g. for e-commerce. When Chrome phases out 3rd-party cookies, this will no longer be possible. However, organizations can submit a request to Google to identify their owned websites as a "Related Website Set," and if Google agrees, Chrome will be updated to allow 3rd-party cookies to exist across those websites.

<u>Partitioned Cookie</u> - A 3rd-party cookie with an additional compartmentalization so that it can only be used by one website. Also called CHIPS (Cookies Having Independent Partitioned State), this is a simple solution that allows a cookie vendor to flag their cookie as "Partitioned," which Chrome will accept, even after the 3rd-party cookie phase-out is complete. It's perfect for 3rd-party cookie use cases that don't need cross-site user tracking.

If you have more questions about 3rd-party cookies, you can watch the webinar or read the FAQ.

To see how ObservePoint can help you sort out your 3rd-party cookies, go for the **Free Trial**.

