

A Cookieless World: The Shifting MarTech Landscape

Impact on Marketing Channels & Growth
of Primary Data in the New Era

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What You'll Find in This Report

For the first edition of “The Shifting MarTech Landscape”, Loyalty Research Center and Rep Data surveyed over 175 Fortune 500 marketing leaders, conducted qualitative interviews with industry experts, and analyzed hundreds of primary data transcripts from investment professionals to discover:

- What has been the impact of current shifts to privacy against marketing effectiveness by channel?
- How are marketing leaders changing short-term budget allocations to address these trends?
- What technology and actions have differentiated leaders in building highly effective marketing organizations?

Data in this report were aggregated from a blinded panel approach utilizing Rep Data's state-of-the-art data collection capabilities for quantitative primary research. Respondents included marketers across multiple verticals and distribution models (B2B/B2C/B2B2C).

Qualitative interviews were sourced with industry experts for a focus on Innovative Technology companies that have been the most impacted by the current trend against cookies.

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Executive Summary

Recent trends towards a “cookieless world” have led to structural changes in what actions, systems, and channels are most effective. This has resulted in reallocation of marketing budgets, clear technology trends, and an emphasis on primary data that has separated leaders from their competitors.

A

Marketers balance process improvement with a need for innovation.

- Fortune 500 leaders indicated that they are spending 58% of their time dedicated to improving current state people, processes, and technology vs. innovation.
- B2B technology organizations are most focused on innovative marketing trends.
- High performance differed substantially across verticals.

B

B2C is a first-mover in technology to circumvent cookieless trends.

- B2C appeared to be a first mover for CDP related technology – capitalizing on new opportunities to circumvent cookieless trends through Server-Side Tagging and artificial intelligence.
- Primary data, both the usage of a provider (e.g., panel or Voice of Customer) and quality, was a key performance driver.

C

Customer Data Platforms and Marketing Analytics are differentiators.

- Marketers are utilizing >7 systems as the backbone of their architecture.
- There were three solutions that stood out of from the rest – clearly discriminating between high and low performing organizations: 1) customer data platforms, 2) marketing analytics and 3) data management platforms (DMP).
- However, 66% are sunsetting their DMP.

D

Marketers are doubling down on the most impacted channels: social & search.

- Consumer oriented businesses are feeling the greatest impact of cookieless trends on conversion, while B2B are struggling with Loyalty/retention.
- Leaders indicated that the cookieless trends are having a high impact on social (>65%) and search. As a result, they are increasing their short-term budget towards these channels.

E

Resulting actions: addressing gaps in identity and emphasis on primary data.

- On average, marketing leaders indicated that they are making 5 changes to their technology stack to address cookies.
- >75% are introducing AI use cases.
- Improving data quality, rethinking first-party segmentation, and prioritizing market research (e.g., panels, surveys, Voice of Customer) are the most popular actions. VoC is a differentiator for B2B.

F

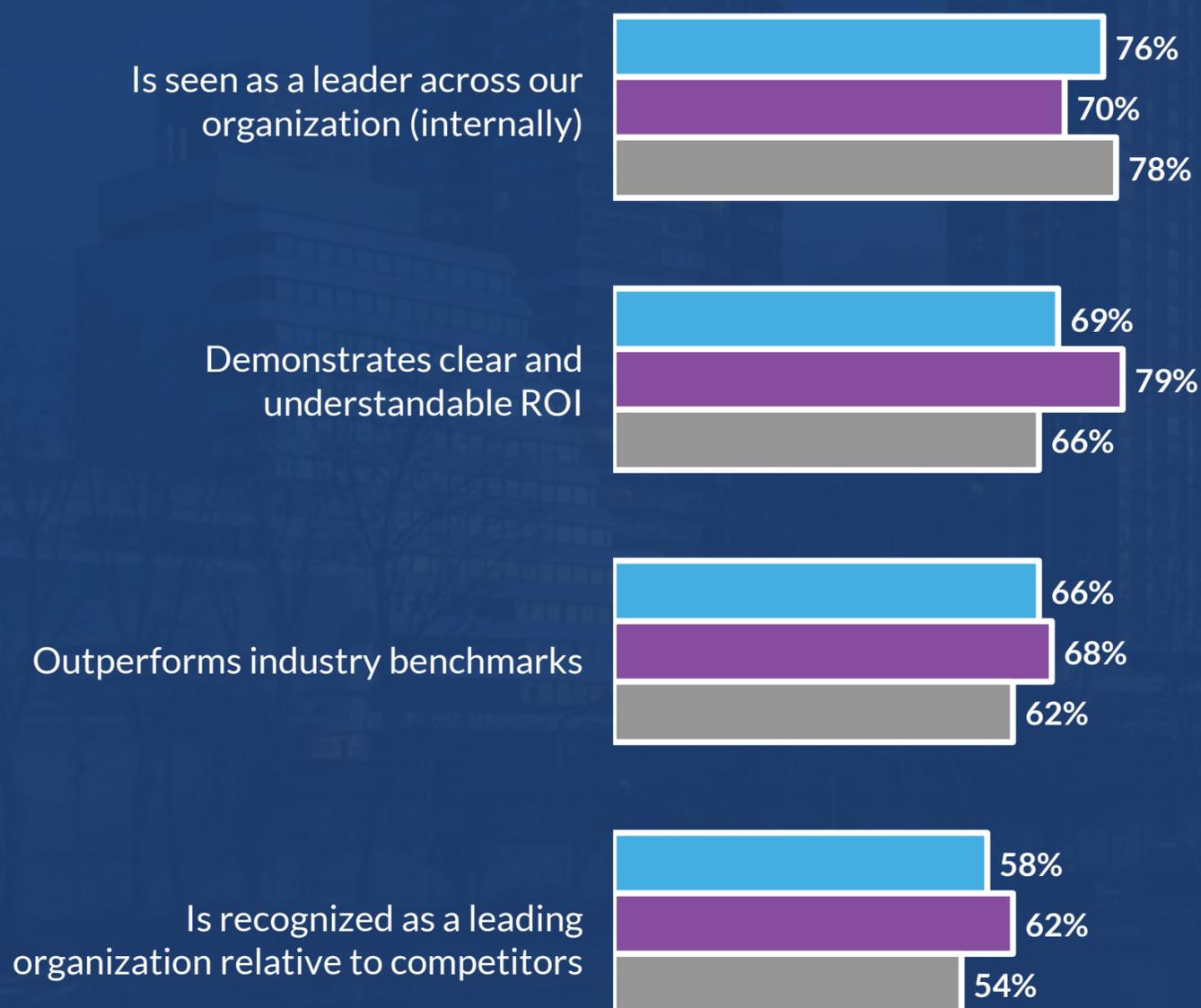
Decision-Making tech that addresses these trends has greatest investment potential.

- Marketers varied in their investment allocation, but decision-making technology and privacy & consent management were the most targeted areas – both short term (2-3 years) and longer term (5+ years).
- Qualitative feedback suggested a focus on being able to take traditional market research methods into the new era.

Marketing's Reputation

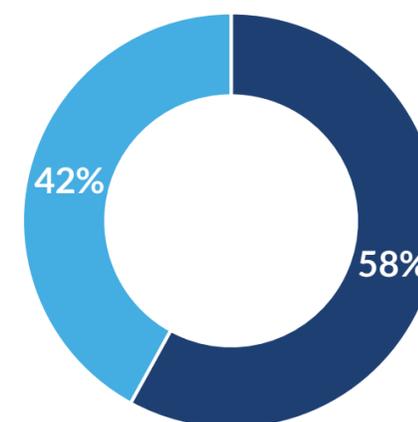
Fortune 500 leaders indicated that their organization is seen as a leader internally, but B2C is still finding difficulty demonstrating clear, understandable ROI.

■ All Respondents
 ■ B2B
 ■ B2C
 % Strongly Agree / Agree



Note: Q = To what extent would you agree or disagree with the following statements regarding the performance of your Marketing organization in your industry? / n = 175 (All Respondents), 47 (B2B), 108 (B2C)

Process Improvement vs. Innovation



- Improving current performance (people, process, technology)
- Identifying innovative solutions for the shifting Marketing environment

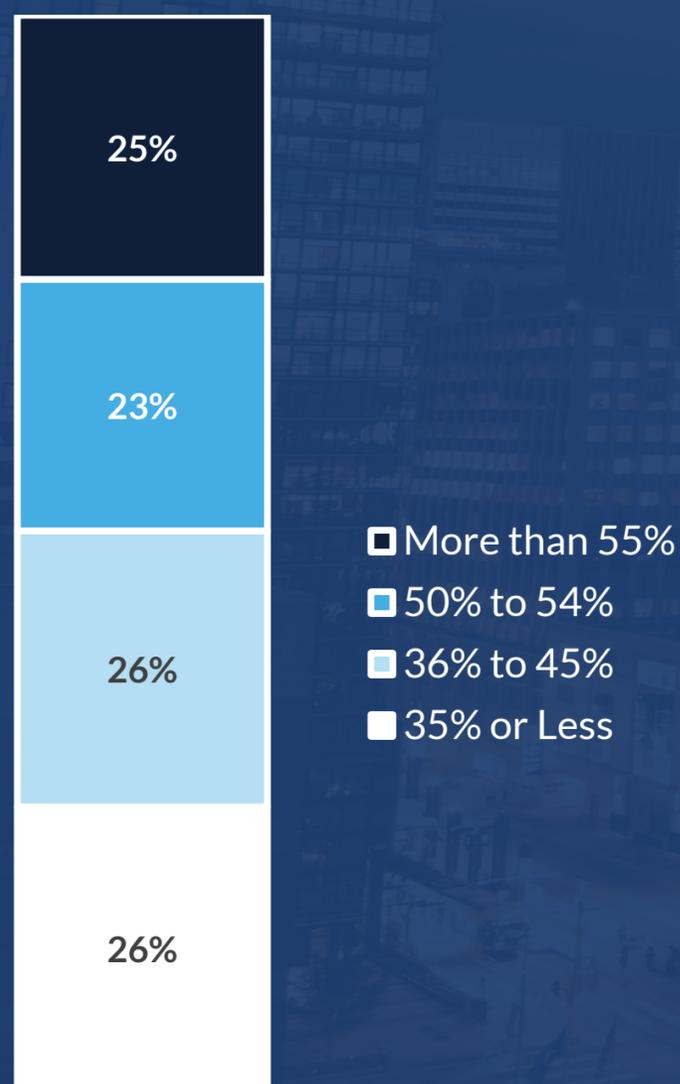
Today's marketers are slightly more focused on improving current performance versus identifying new solutions. **Innovation was the strongest priority for B2B technology companies.**

A perfect storm— trends against the usage of cookies and shifts towards privacy— has put **marketing organizations at the center** of establishing new ways to manage **cross-channel identity resolution**, while still focusing on the ability to improve current performance.

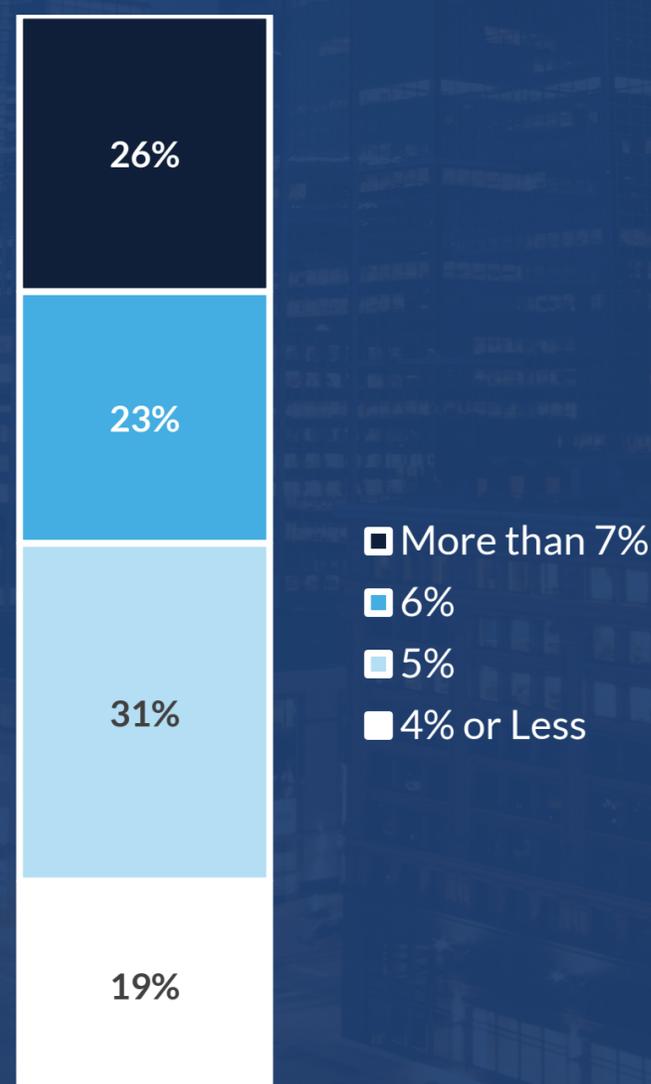
Note: Q = When thinking about your current organizational priorities, how much is driven by improving current performance versus identifying innovative solution? / n = 175 (All Respondents) 47 (B2B), 108 (B2C)

Defining High Performance

On average, marketers indicated that their organization generates 45% marketing qualified leads (MQL) as a percentage of their overall customer base with a conversion rate of 5%. Respondents near the top of both were classified as high performing to help understand what actions, systems, and channels drive outcomes.



Marketing Qualified Leads as % of Overall Customer Base (n=175)



Average Lead Conversion Rate (n=175)

High Performing Criteria

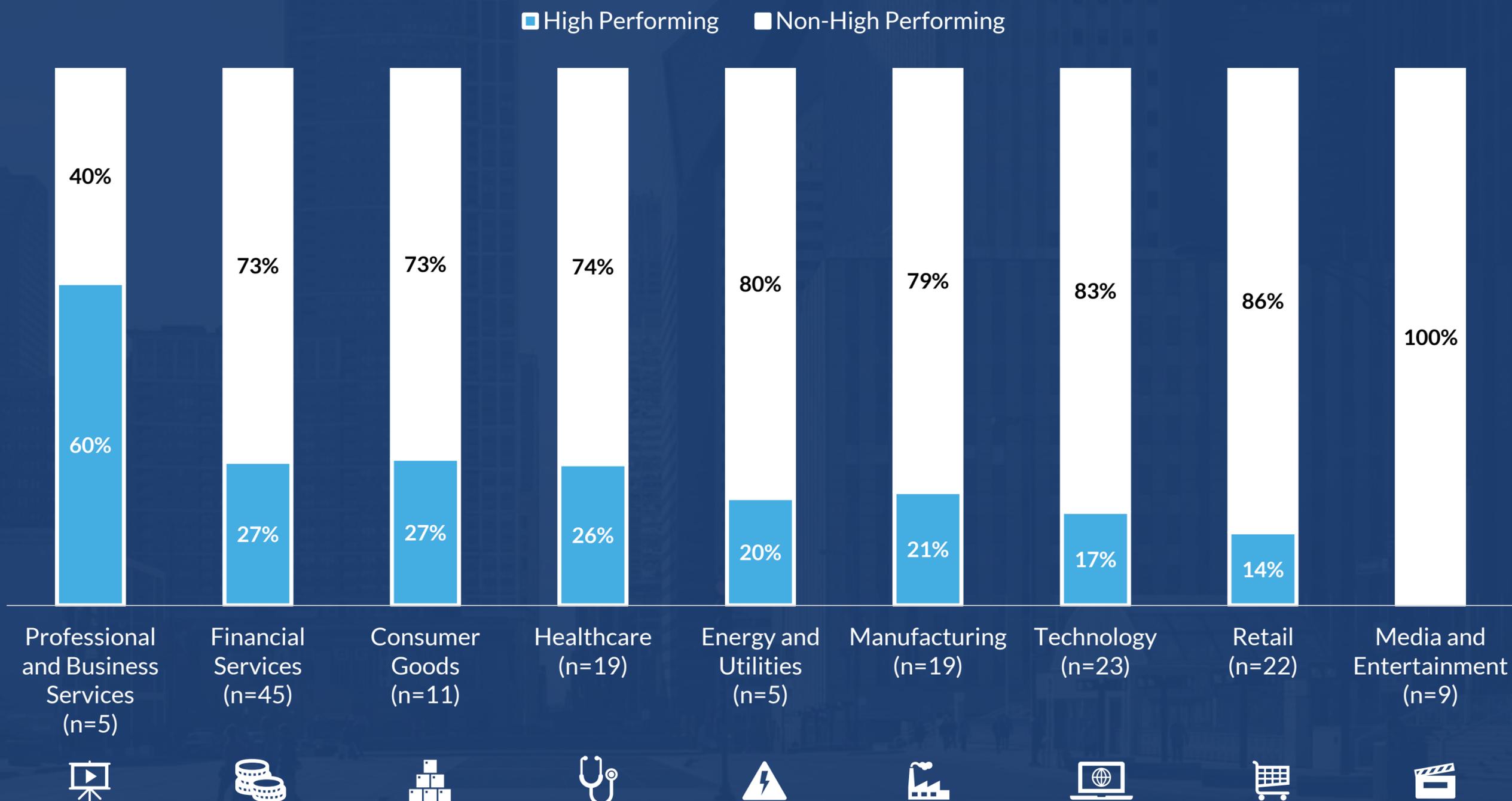
- ✓ MQL \geq 55% and Lead Conversion \geq 7%
- OR
- ✓ MQL \geq 55% and Lead Conversion \geq 6%
- OR
- ✓ MQL \geq 50% and Lead Conversion \geq 7%

21%

of respondents were classified as “High Performing”. Results were slightly favorable towards B2C and B2B2C organizations.

High Performance Differed Across Verticals

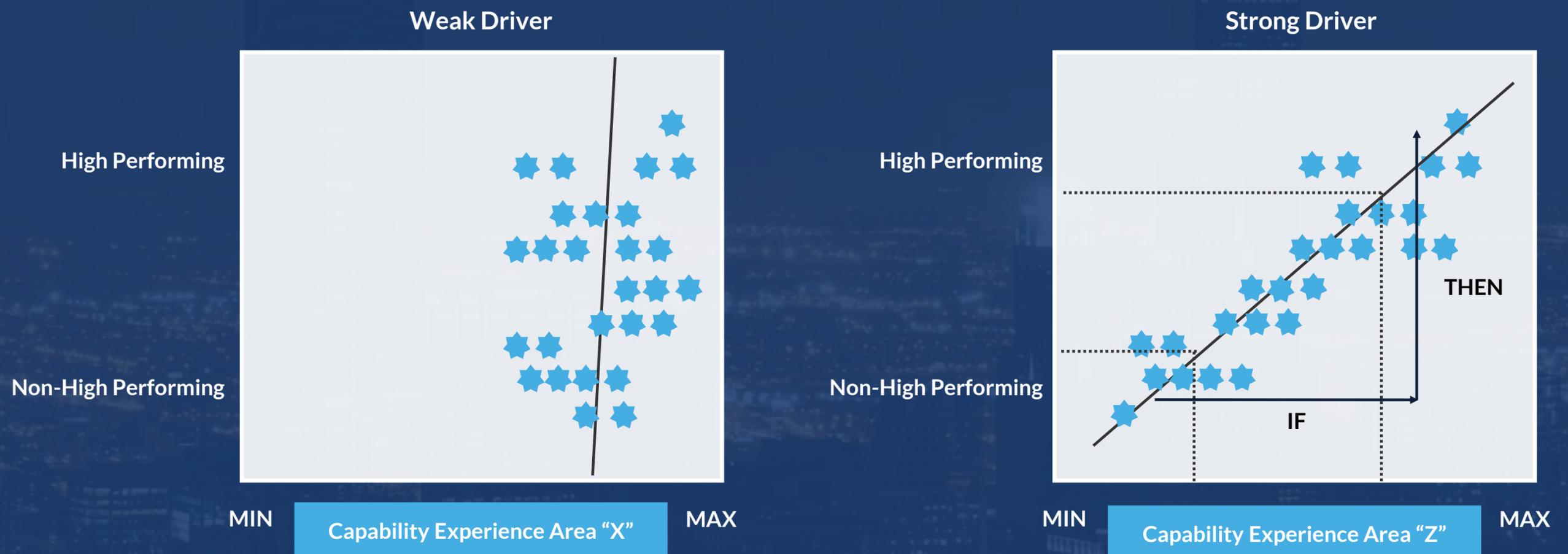
There were significant differences across verticals as certain sectors experienced lower lead generation and conversion. As a result, quantifying the impact of each area controlled for vertical and service model.



Note: Q = Approximately, how many Marketing Qualified Leads (MQLs) as a percentage of your overall customer base (n) does your organization capture monthly? / Approximately, what is your organization's average lead conversion rate? / n = 175 (All Respondents)

Understanding Drivers of Performance

Key driver analysis was used to understand and classify what actions, systems, and channels have had an impact on marketing performance throughout recent cookieless trends.



Controlling for areas like **industry, size, role, and business model** allows deeper insight into how leaders are navigating a “**cookieless world**”.

Key Discriminators of Performance

There were clear differences in performance drivers depending on delivery model. Notably, B2C appeared to be a first mover for CDP related technology – *capitalizing on new opportunities to circumvent cookieless trends through Server-Side Tagging and Artificial Intelligence*. Primary data collection was critical for both.

MarTech Differentiators

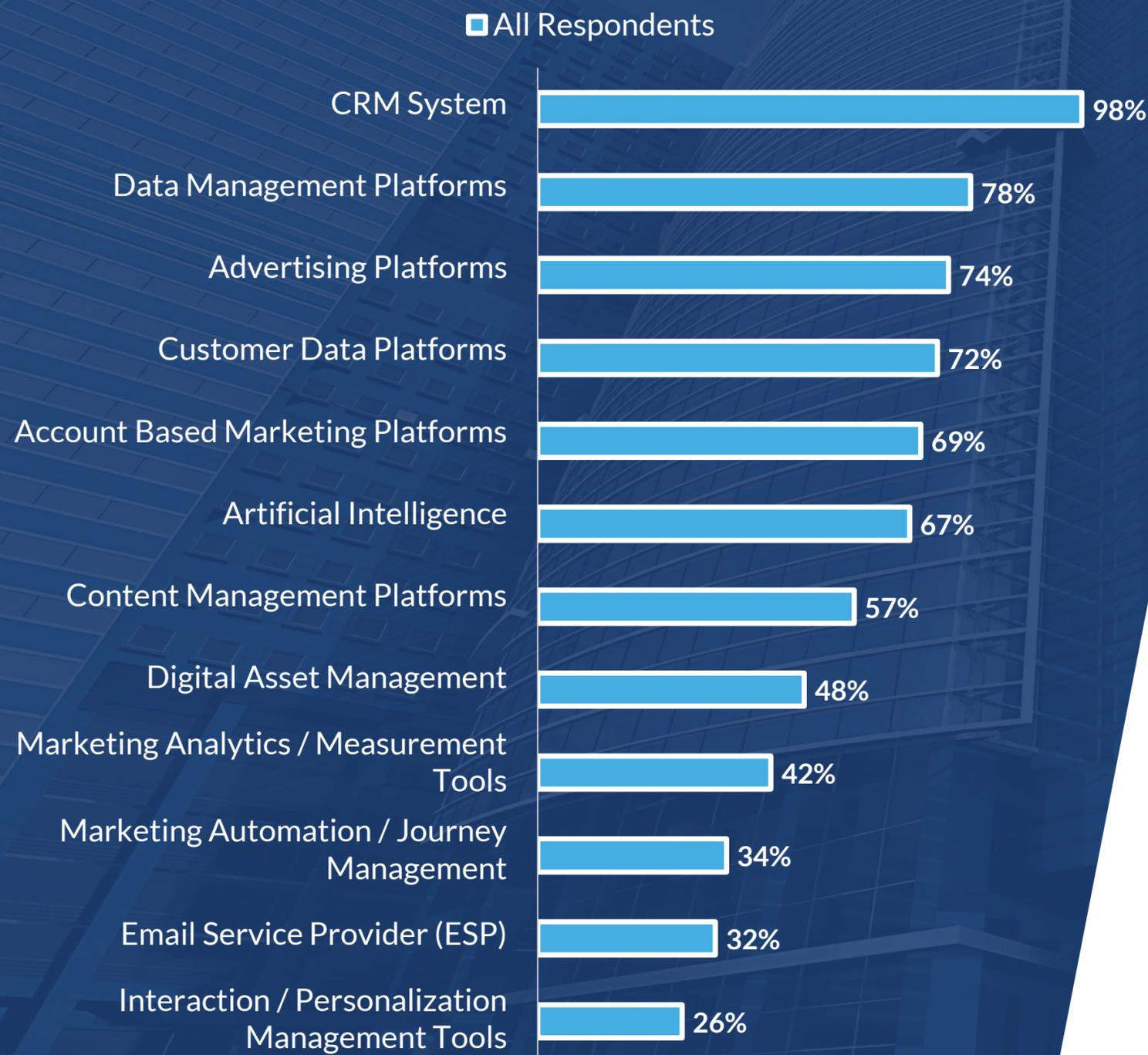
Performance Drivers

	Business-to-business (B2B)	Business-to-consumer (B2C)
	Systems	
	<ul style="list-style-type: none">  Marketing Automation / Journey Management  Digital Asset Management 	<ul style="list-style-type: none">  Interaction / Personalization Management Tools  Content Management Platforms  Customer Data Platforms  Extent of MarTech Stack Integration
	Actions	
	<ul style="list-style-type: none"> ✓ Utilize a Primary Data Resource Vendor (e.g., Market Research Panel, Data Enrichment Vendor) ✓ Implementing a Customer Data Platform (CDP) ✓ Implementing an Account Based Marketing (ABM) Platform ✓ Improving Data Quality across Customer List ✓ Testing Other Channels (e.g., Android, OTT, Podcasts) 	<ul style="list-style-type: none"> ✓ Introducing Server-Side Tagging ✓ Introducing New Use Cases for Artificial Intelligence (AI) ✓ Building Identity Resolution Algorithms ✓ Reducing Paid Media Spend ✓ Improving Data Quality across Customer List



Current System Usage

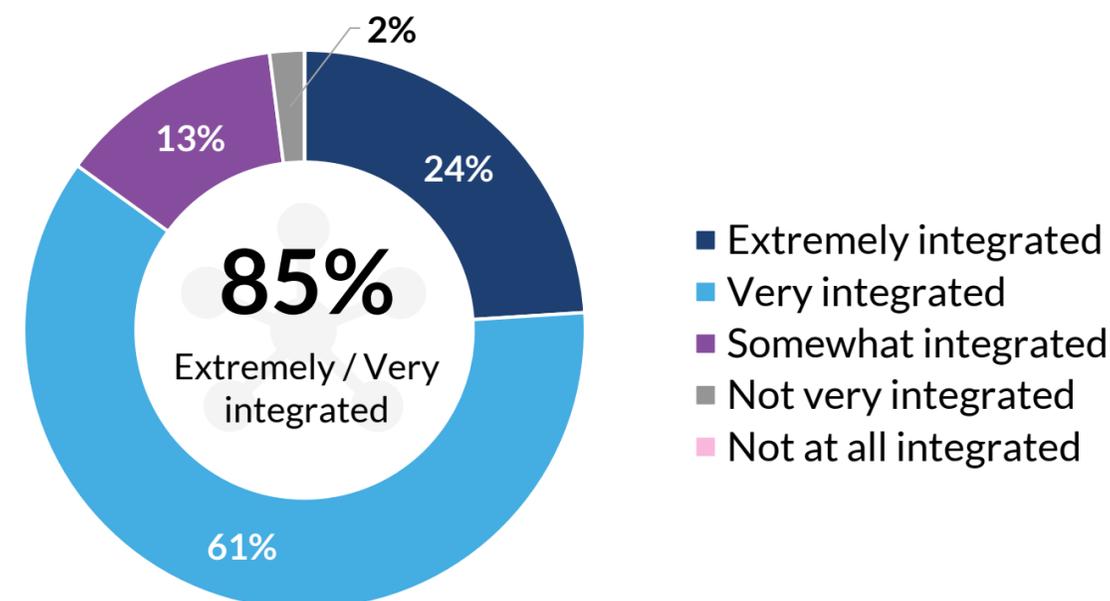
On average, marketing leaders currently utilize 7 of the following technology systems.



With more available data and an increase in the number of sources, **marketers require a stack that delivers capabilities across each channel.** This was evident in the average leader indicating **7 (or >50%) of the systems utilized today.**

There were **three solutions** that stood out from the rest – clearly discriminating between high and low performing organizations: 1) **customer data platforms**, 2) **marketing analytics** and 3) **data management platforms.**

Current Stack Integration



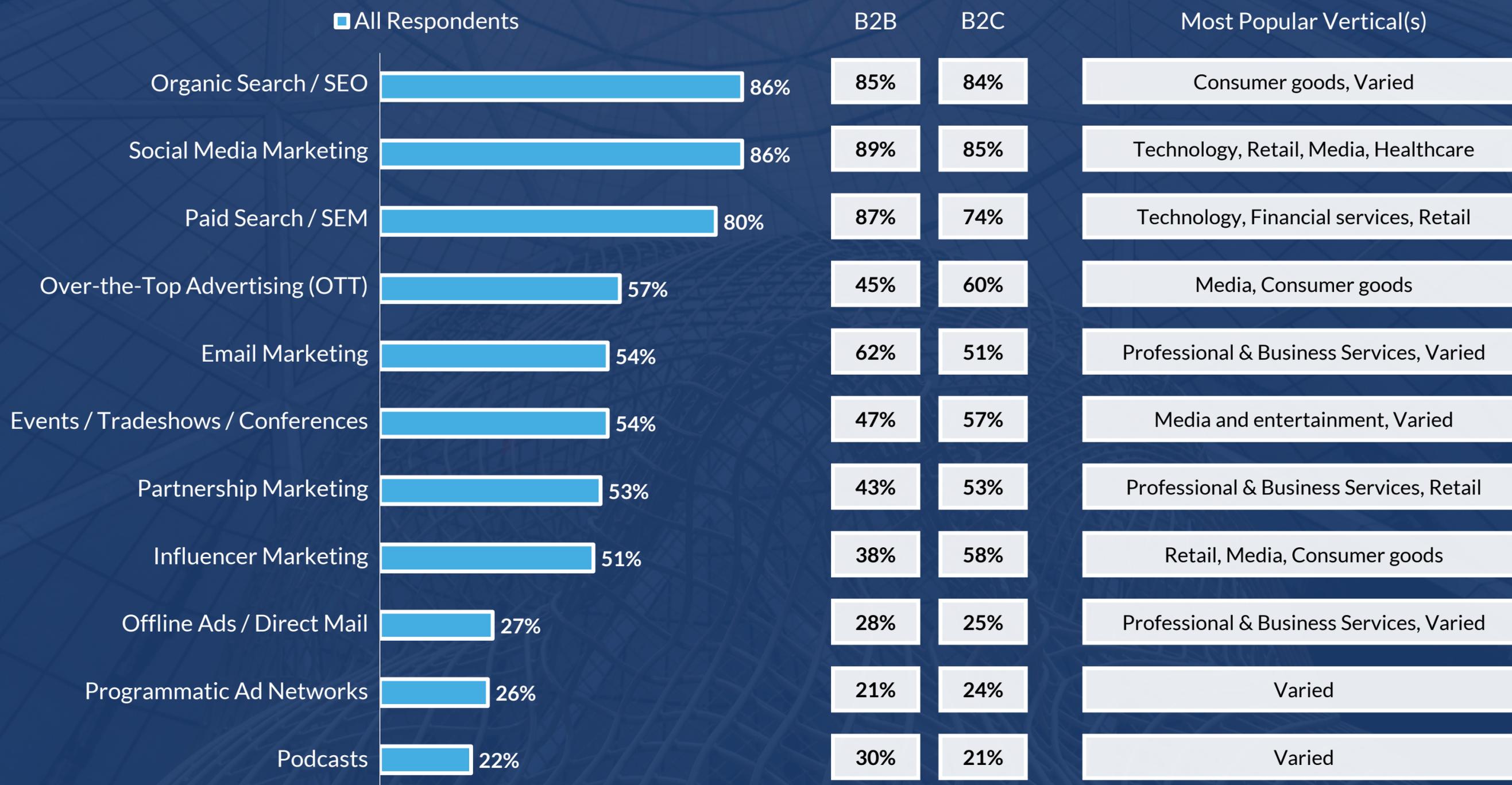
Note: Q = Which of the following technologies does your organization currently use? Please select all that apply. / n = 175 (All Respondents)

Note: Q = Generally, how integrated is your current Marketing Technology stack? / n = 175 (All Respondents)



Current Marketing Channels

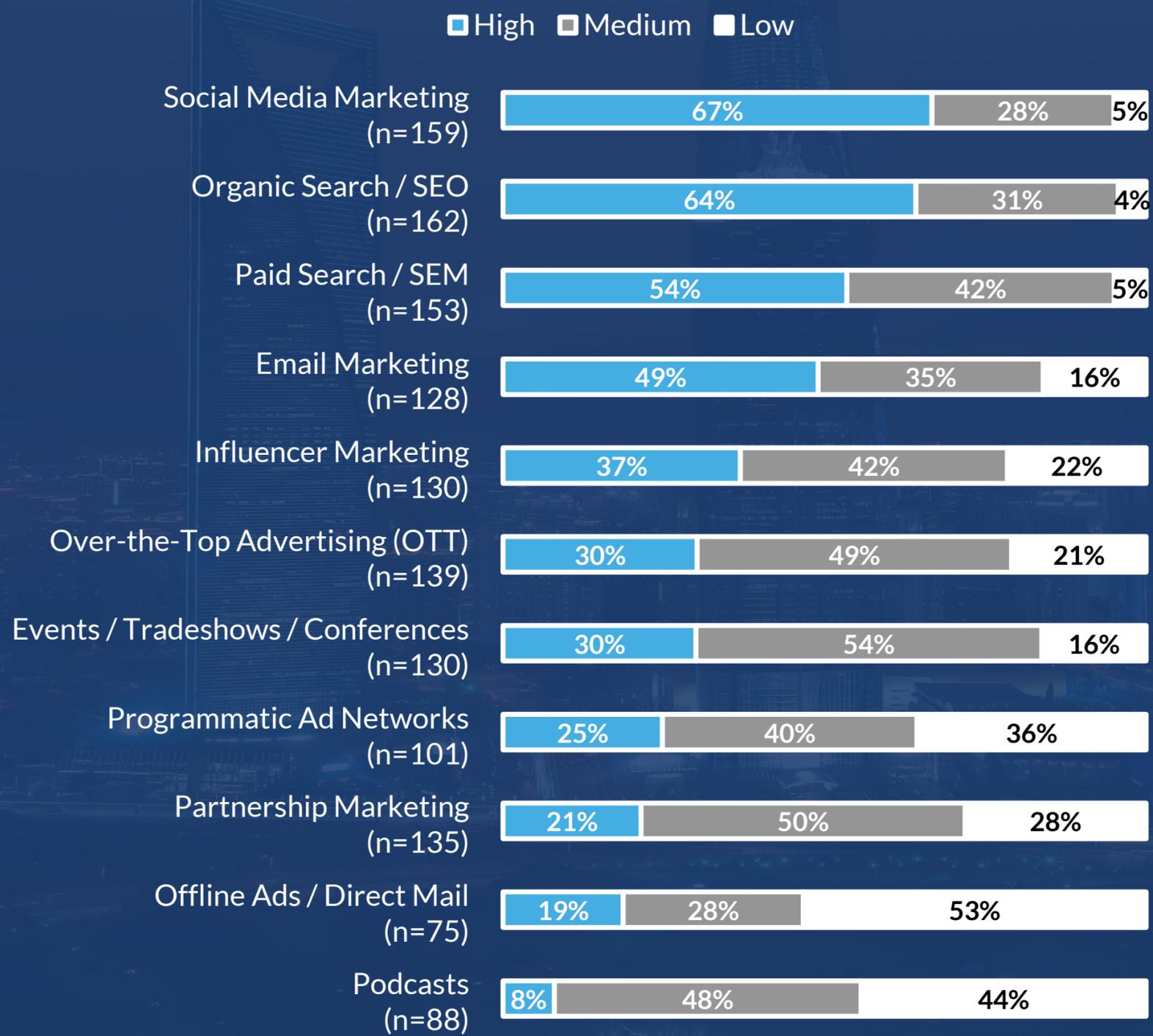
The average marketer is delivering across 6 channels with leaders that have a B2B2C distribution model experiencing the greatest number. There were several notable differences by vertical.



Note: Q = Which of the following marketing channels does your organization currently use? Please select all that apply. / n = 175 (All Respondents) 47 (B2B), 108 (B2C)

Impact on Marketing Channels

Marketers have been most heavily impacted in social and search. These trends were consistent across B2B vs. B2C.



The most popular channels across Marketers: **Social** and **Organic Search / SEO** are the most impacted by the current trend against cookies. **Technology (B2B)** and **retail verticals** are expected to experience the most pressure on performance based on their **current channel prioritization and the ensuing impact.**

Director of Data Sales & Strategy

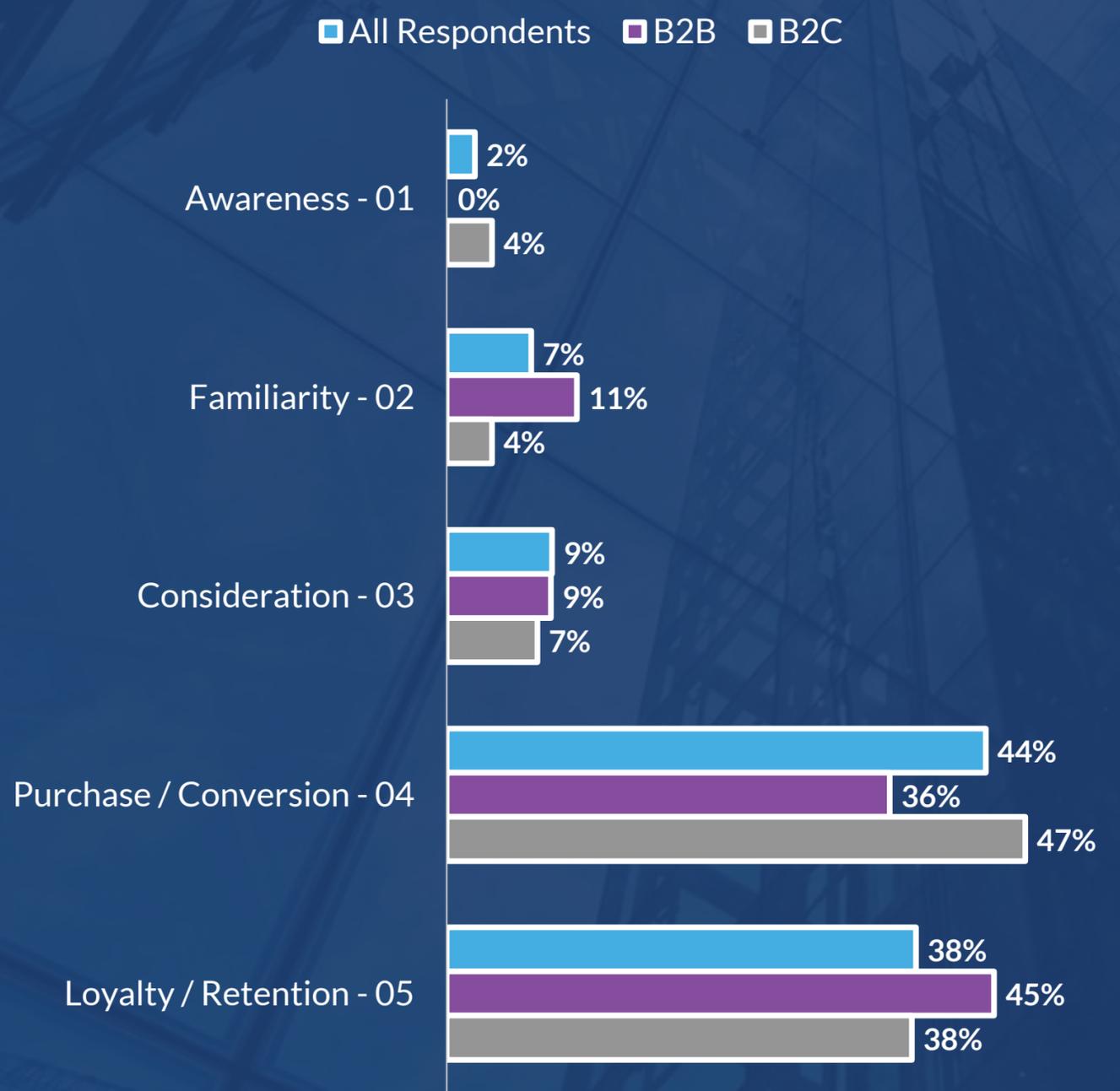
“ I think email will probably be fine because they’ve already bridged the gap with the technology. You have providers that have been working on this for years and it’s a known universe. [...] I think **there has already been an impact in social.** You’ve seen the results. It impacted Facebook. It impacted Snap. It impacted TikTok. **The discoverability of who the consumers are is going to be even harder within social.** ”

Large Sports Apparel

Note: Q = Generally, what has been the impact of the shift against cookies (e.g., iOS, public opinion, Bing, Yahoo) across each of the following channels?

Marketing Funnel: Current Pressure

Leaders are currently feeling the greatest pressure later in the funnel: conversion and Loyalty.



As a result of **shifting public opinion** and the changes in storage/distribution policy across platforms like Apple, Bing, and Yahoo, Marketers are starting to experience greater difficulty towards the **bottom of the funnel**.

B2B leaders are feeling new pressure in the **ability to retain customers and promote growth** through cross-sell / up-sell opportunities. This was especially true in **manufacturing and technology** sectors.

Consumer oriented businesses, which heavily rely on retargeting strategies like cart abandonment, are **focusing primarily on conversion** within the funnel.

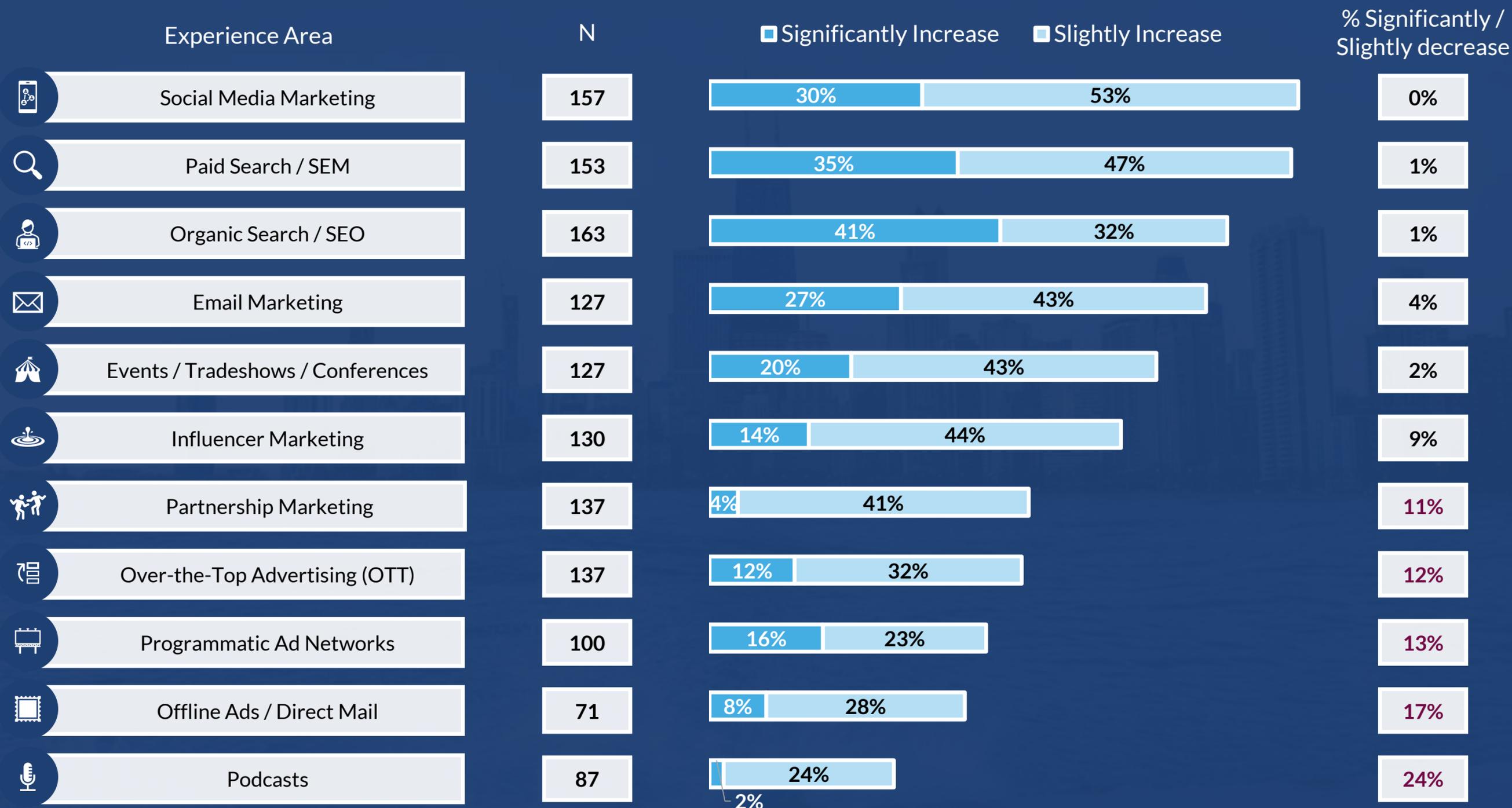
These leaders are turning **towards new technology solutions such as identity resolution** or beginning to rely more on **traditional market research methods**.

Note: Q = With the shift moving against cookies, where is your organization feeling the most pressure in your Marketing funnel? / n = 175 (All Respondents), 47 (B2B), 108 (B2C)



Resulting Changes in Budget Allocation

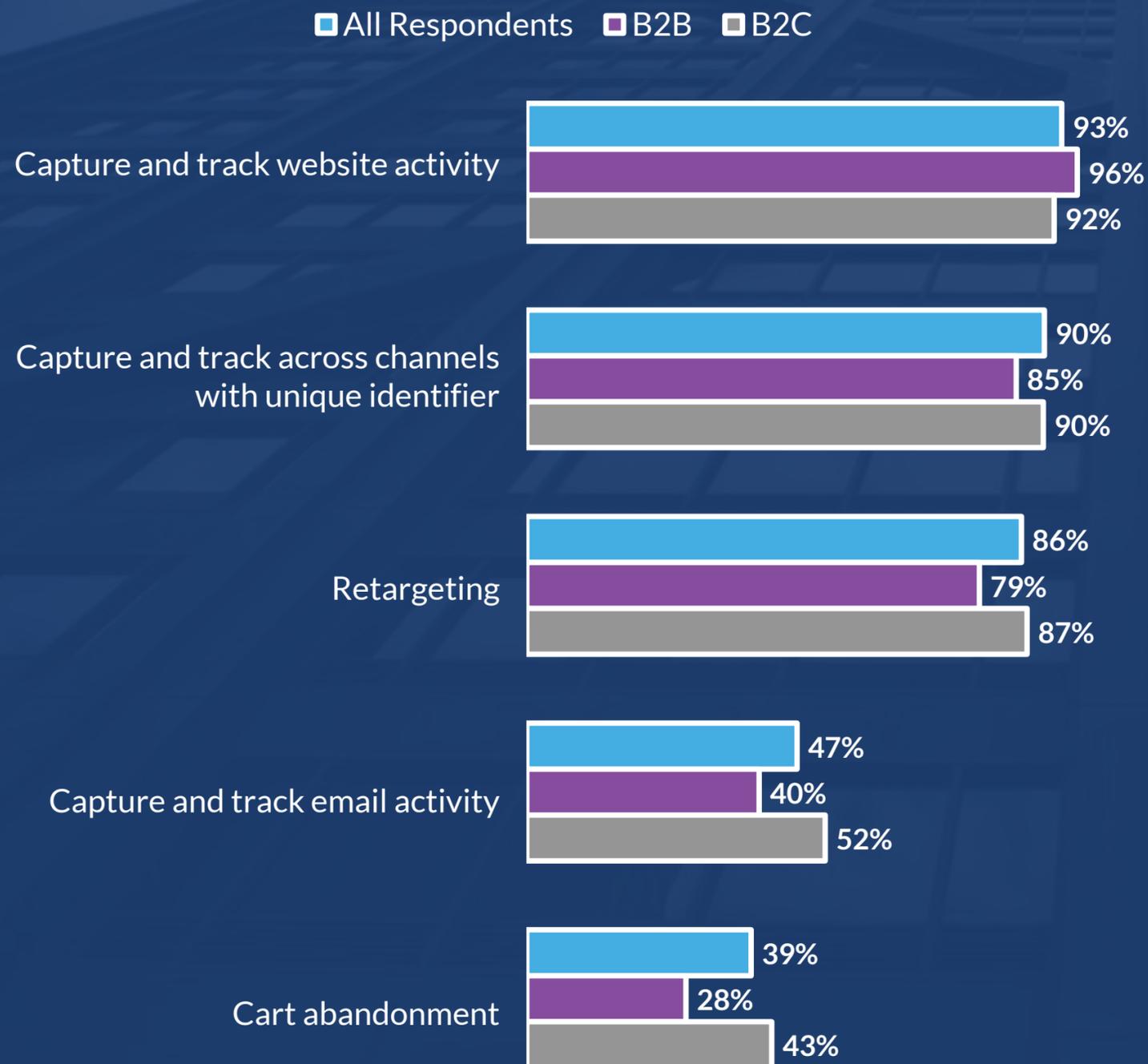
As a result of recent trends against cookies, marketers are anticipating an increase in budget allocation across each of the impacted channels to help navigate new waters.



Note: Q = For each of the channels, to what extent do you anticipate your current marketing budget to change over the next two years as a result of these trends? / n = 175 (All Respondents)

Current Cookie Usage

Marketing organizations currently rely most on tracking website and cross-channel activity.



Note: Q = How does your organization currently utilize cookies? Please select all that apply.
/ n = 175 (All Respondents), 47 (B2B), 108 (B2C)

Head of Growth Marketing

“So, every e-commerce or marketplace are starting to look more into contextual analysis. Basically, you are creating the cohorts yourself for the purposes of retargeting rather than relying on traditional tracking. That kind of data consistency – creating those data models – which can be scaled into other geographies is something that I see happening with a lot of brands today.”

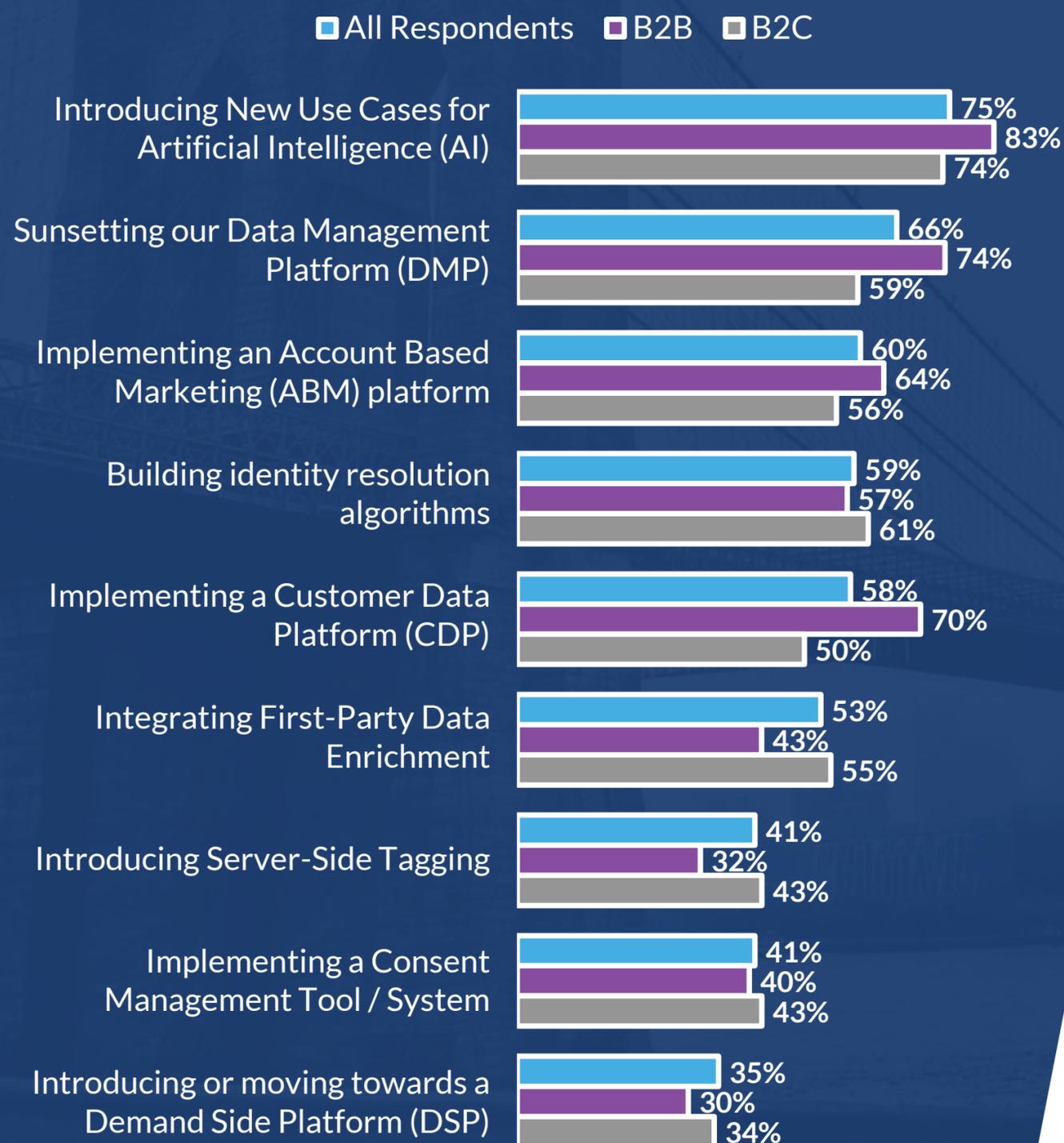
Fortune 100 E-Commerce

Over 90% of marketers currently rely on cookies to not only track site visits, but also understand **cross-channel** and **cross-device interactions**.

Cross-channel is the **most heavily impacted area across tracking use cases**. Leaders are turning to new advances in **identity resolution**, as well as deeper understanding in **defining cohorts/segments through traditional market research approaches**.

Technology Changes

As a result of trends against cookies, marketers are shifting their technology stack to accommodate identification hurdles.



Note: Q = Which of the following changes are you making to your technology stack given the deprecation of cookies? Please select all that apply. / n = 175 (All Respondents), 47 (B2B), 108 (B2C)

Director of Data Sales & Strategy



[On Identity Resolution], that's a big difference if I have an addressable database of over 50 million individual consumers. If you're telling me that I'm going to miss out on being able to address and communicate and understand who these people are, the value of organizations with substandard identity resolution will decrease dramatically when the cookie potentially goes away.



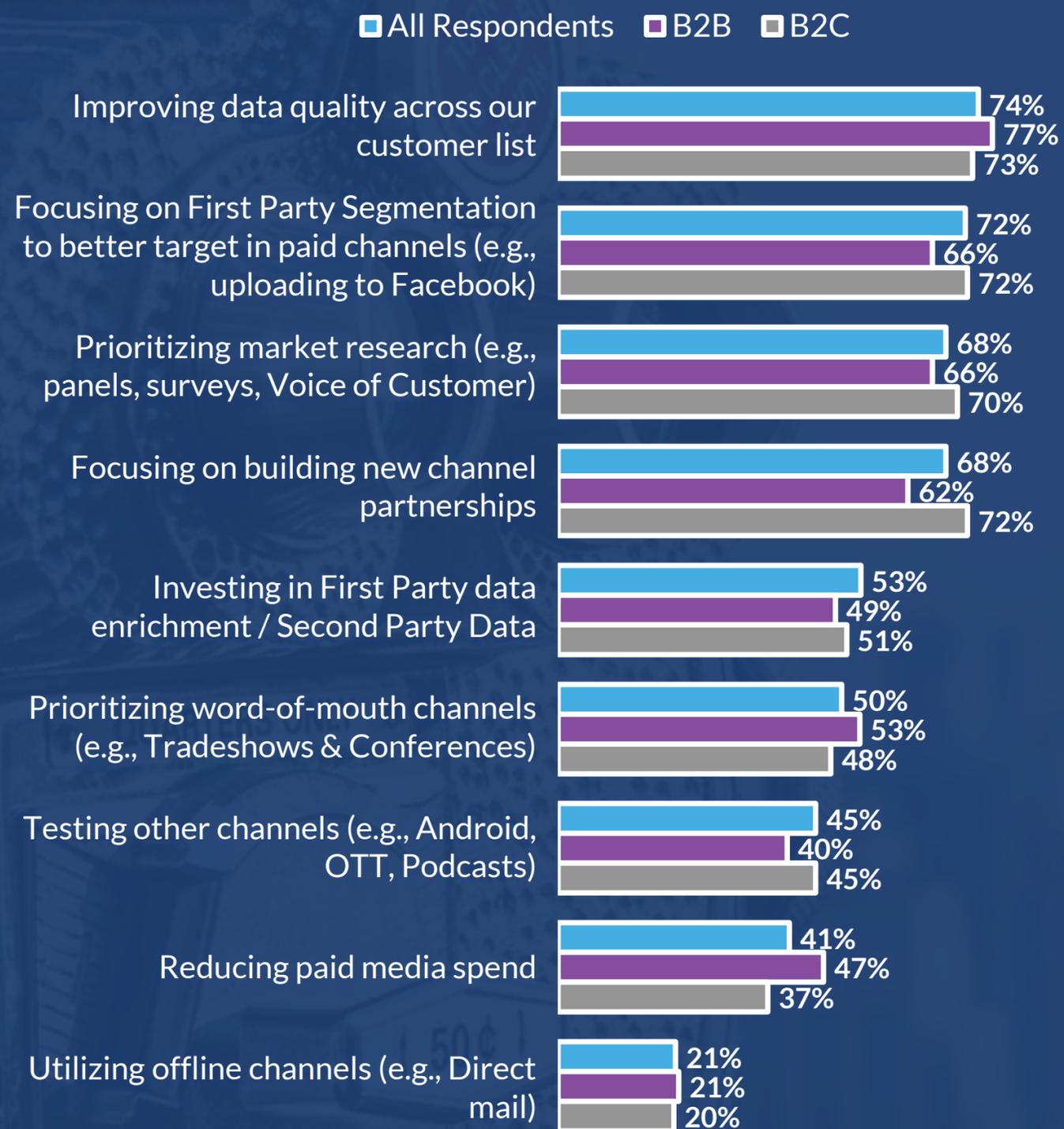
Large Sports Apparel

On average, marketing leaders indicated that they are making **5 changes to their technology stack** following recent trends. **High performing B2B organizations** are focused on new system implementation opting for new advances in **CDPs** and **ABM platforms**.

B2C organizations, which appeared to be first movers in customer data platforms and adjacent technology, are the most varied in their actions. Notably, **high performers** are emphasizing structural improvements to their existing technology to improve effectiveness and prepare for future difficulties in identification: **Server-Side Tagging, AI, and identity resolution**.

Strategic Changes

In the new era, the role of Primary 1st Party data increases in importance: data quality, segmentation, and market research.



Note: Q = Which of the following strategic changes are you making given the deprecation of cookies? Please select all that apply. / n = 175 (All Respondents), 47 (B2B), 108 (B2C)

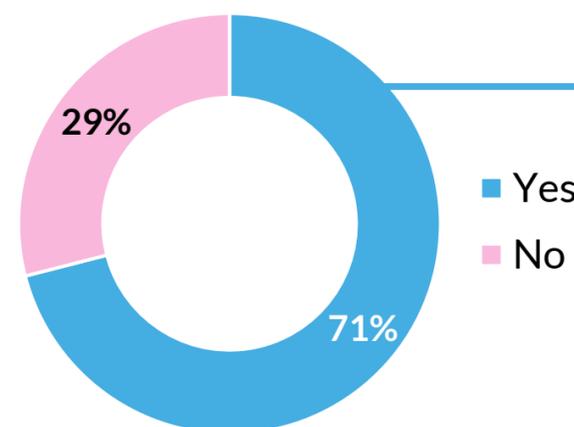
VP, Advertising Operations

“From our standpoint, the portion of our business that does go primarily off-site will be. As soon as our audience leaves the site, they go from being first-party targeted to effectively third-party targeting. We know that doing so becomes cookie-based. Of course, this becomes an issue for us and a concern for us. So, we do face it as well. Our thinking is what we've done already which is engage our contact at Google to rethink how we approach targeting.”

Multinational HR Technology

Efforts to improve data quality proved to be a differentiator for both B2B and B2C. Utilizing a primary data resource (e.g., panel or market research) for B2B and testing other channels was a critical driver of performance.

Currently Utilize Primary Data Resource Provider



Key across leaders in...

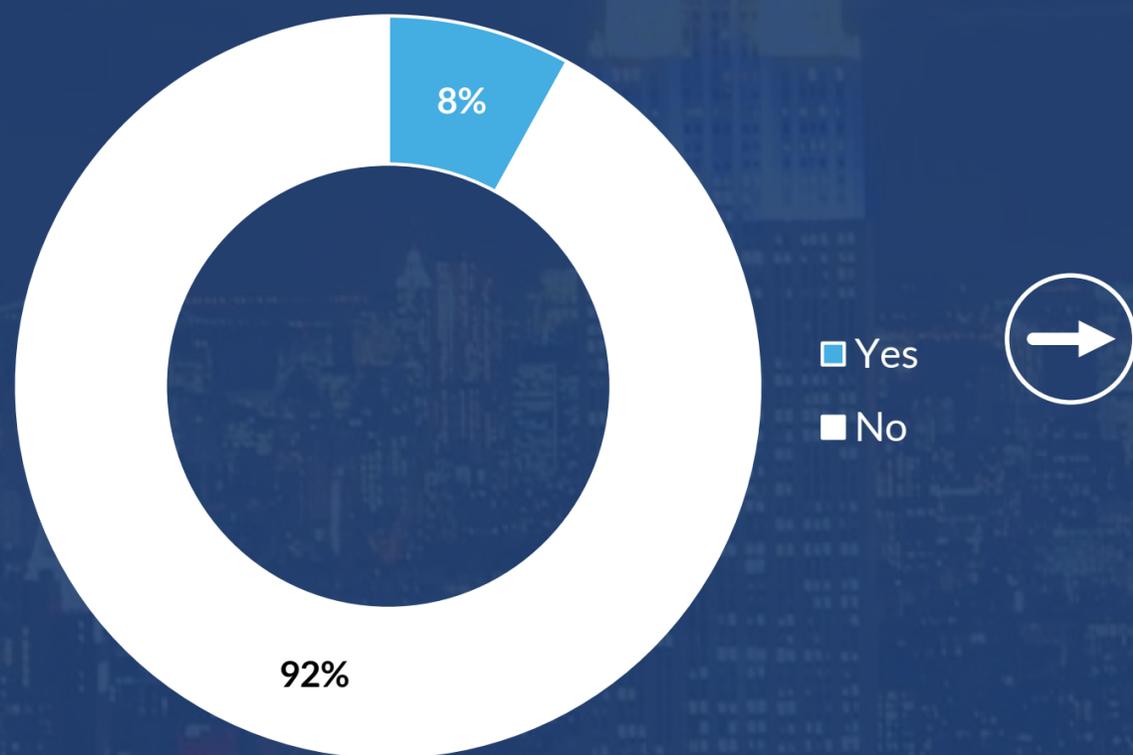
- ✓ Technology
- ✓ Healthcare
- ✓ Media
- ✓ Manufacturing
- ✓ Financial Services
- ✓ Retail

Note: Q = Over the past year, have you utilized a primary data resource provider (e.g., Market Research Panel, Data Enrichment Vendor)? / n = 168 (All Respondents)

Data Sharing Across Enterprise

Despite these challenges and increased pressure on data privacy, less than 10% of these organizations are currently re-evaluating the exchange of data across their enterprise. Leaders who are exploring different options primarily focused on the integration of resources and systems.

Re-Evaluating Data Sharing Between Parent & Child Companies?



All Respondents



Large Sports Apparel

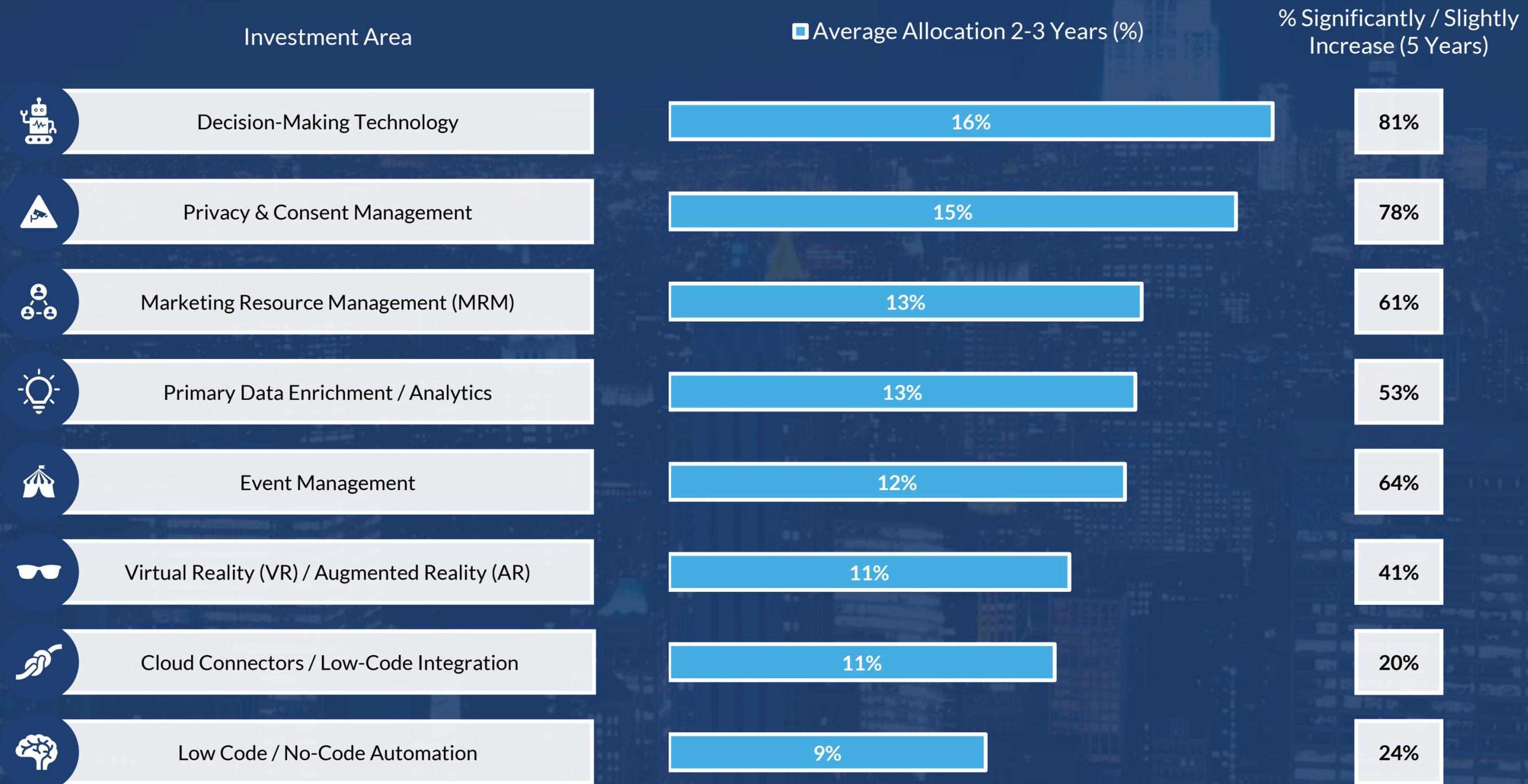
*"[On managing opt-in and consent data between entities], Absolutely. So yes, **somebody opts out of e-mail or says do not track me, all of those flags are passed and then that data is put aside.** Everything we're doing is privacy-centric. You don't want to get an e-mail after you already said you don't want it." - **Director of Data Sales & Strategy***

Note: Q = Are you currently re-evaluating data sharing policies between parent/child companies within your organization? / n = 148 (All Respondents)

Note: Q = Which of the following steps are you currently taking? Please select all that apply. / n = 12 (All Respondents)

Customer Technology Trends

Marketers varied in their investment allocation, but decision-making technology and privacy & consent management were the most targeted areas – both short term (2-3 years) and longer term (5+ years).

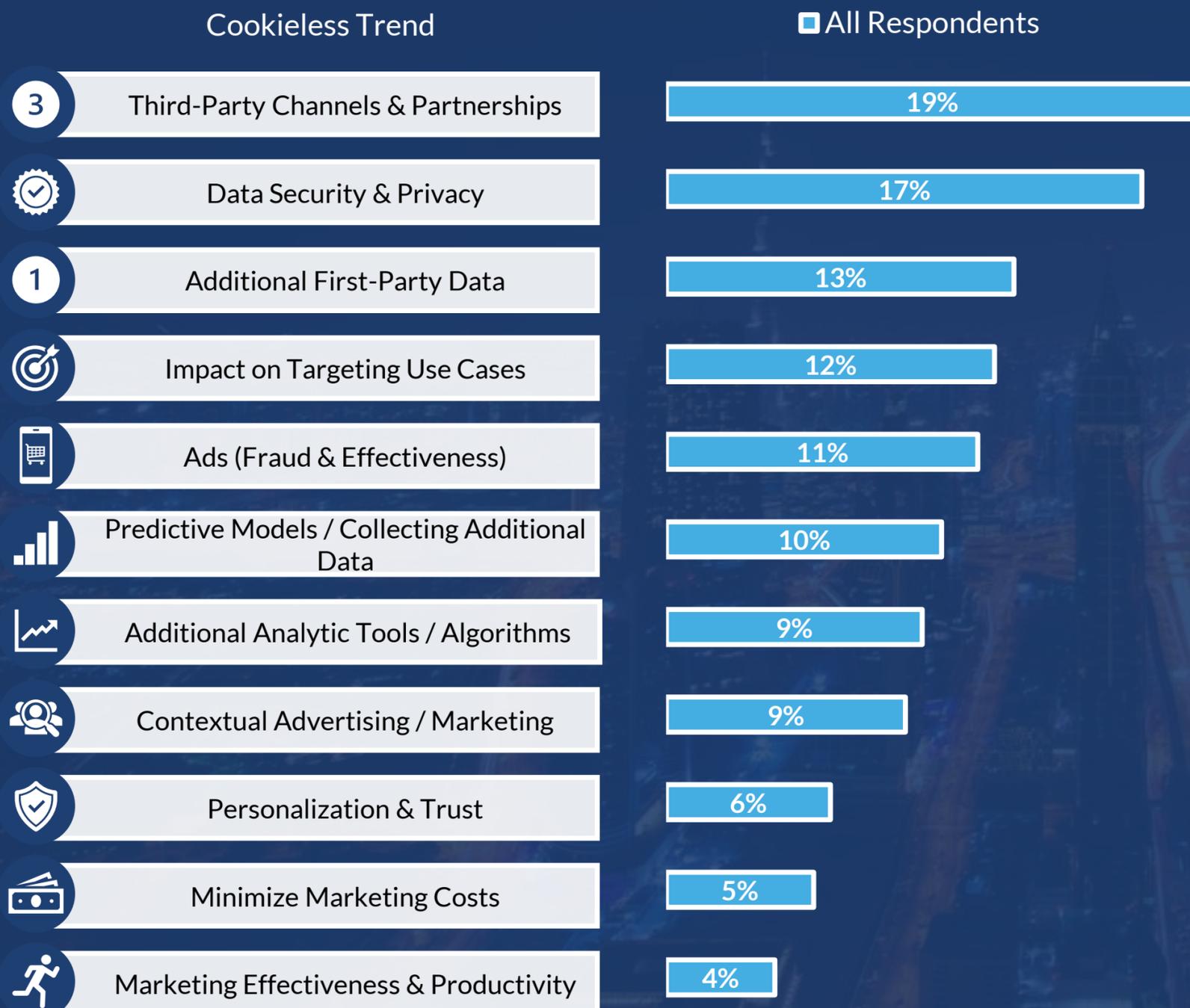


Note: Q = If you were given \$100M to invest in customer-aligned technology, where would you allocate the funds based on the strongest opportunities for growth over the next 2-3 years? / n = 175 (All Respondents)

Note: Q = How would you anticipate that to change over the next 5 years? / n = 175 (All Respondents)

Additional Impact Areas

Leaders cited new partnership trends with third-party providers and increased data security / privacy as additional trends.



Head of Growth Marketing

“I’d think about where the brands are also starting to move. One bigger area which we are seeing these e-commerce brands moving into is influencer marketing. There is a lot of focus on affiliate altogether and how these companies can basically directly tie with the affiliates to prepare for this transition altogether.”

Fortune 100 E-Commerce

Senior Vice President, Marketing

“Personalized advertising options will become more limited over time, allowing us to shift to contextual marketing and eventually to a cookie-free marketing environment.”

Fortune 500 Financial Services

Survey Demographics

Industry

Architecture, engineering, and construction	3%
Automotive	1%
Communications	3%
Consumer goods	7%
Energy and utilities	4%
Financial services	24%
Government	2%
Healthcare	9%
Life sciences or biotechnology	2%
Manufacturing	12%
Media and entertainment	5%
Professional and business services	3%
Retail	9%
Supply chain and logistics	1%
Technology	14%
Travel and hospitality	2%

Role

Chief Marketing Officer (CMO)	22%
Director, Marketing Technology / Head of Marketing Technology	37%
Senior Vice President (SVP), Marketing	40%

Region

Midwest (US)	27%
Northeast (US)	32%
Northwest (US)	2%
Southeast (US)	26%
Southwest (US)	12%

Company Type

Business-to-business (B2B)	32%
Business-to-consumer (B2C)	56%
Business-to-business-to-consumer (B2B2C)	12%

Acknowledgements

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