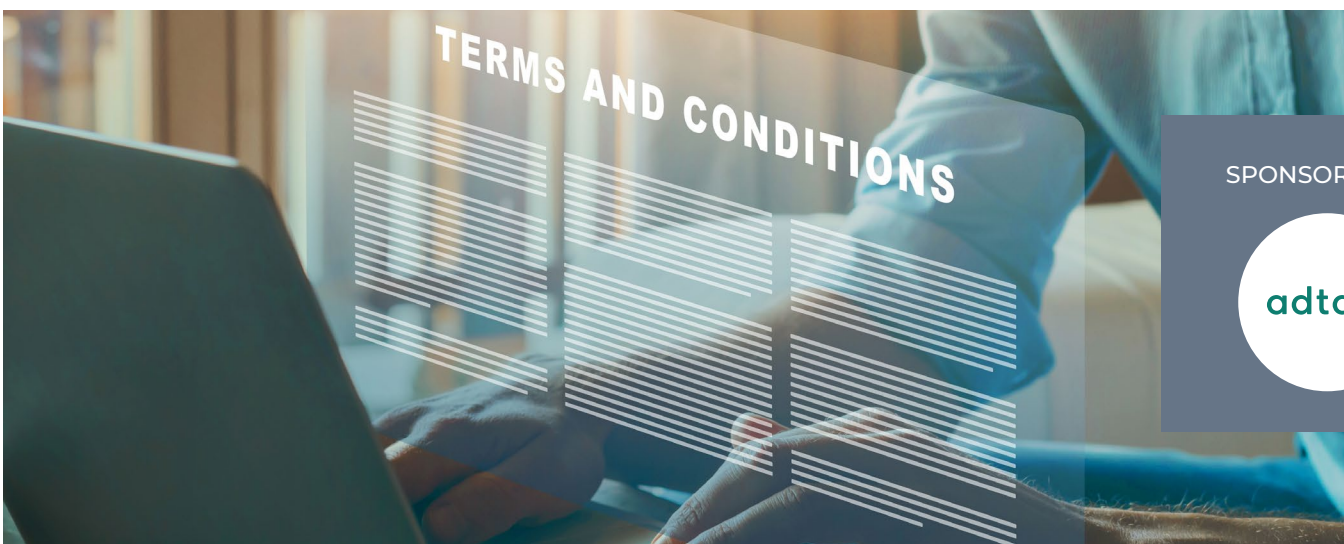


THE NEW MARKETING PLAYBOOK:

TIPS FOR CMO SUCCESS
IN A POST-COOKIE,
PURPOSE-FOCUSED WORLD

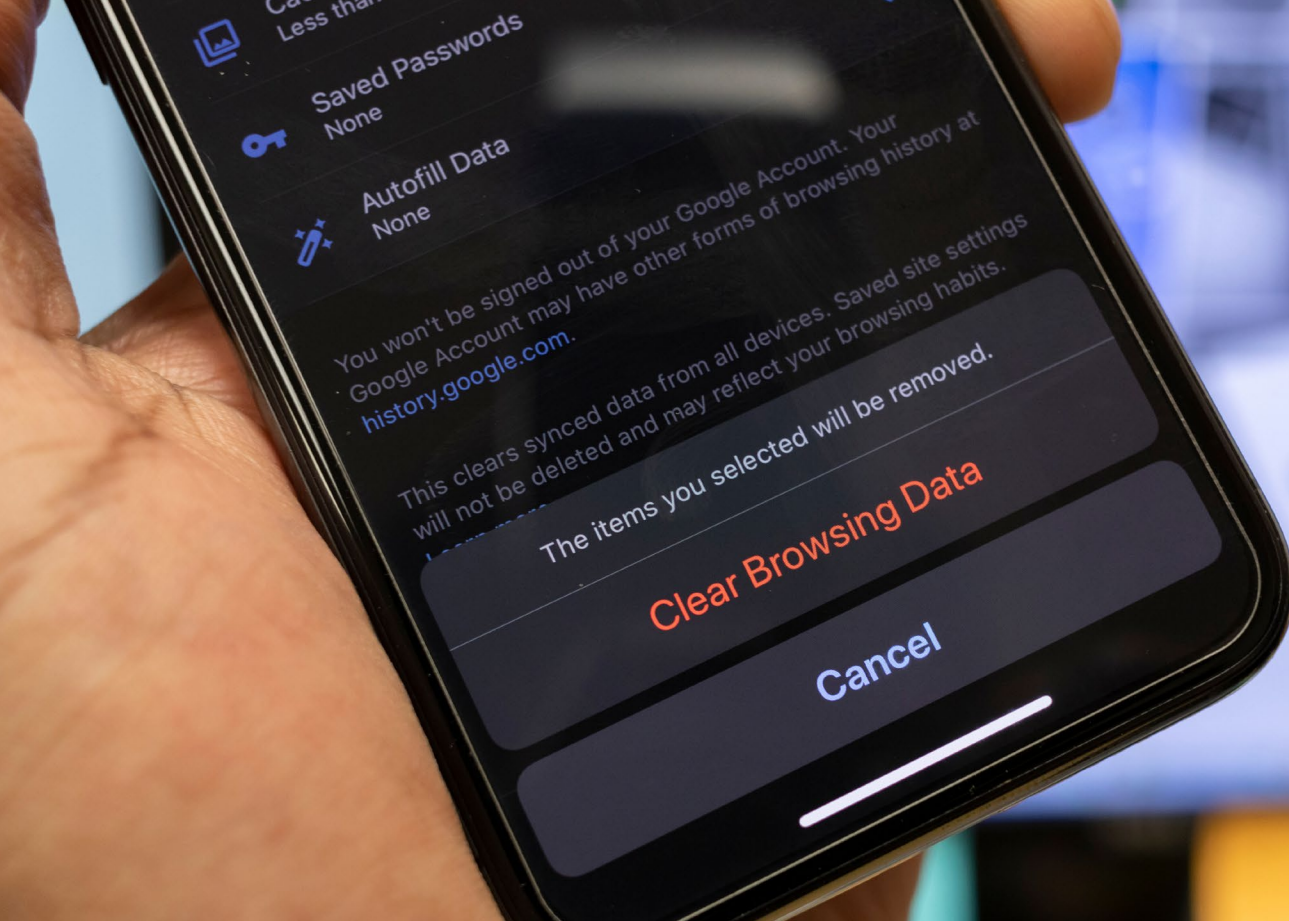
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SPECIAL REPORT



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INTRODUCTION

Marketing is evolving at a faster pace than ever before. The combination of inflationary pressure and the coming cookie phase out is forcing retailers to come up with new strategies to meet shoppers at the right place and time to ensure a conversion. The 2022 holiday season is shaping up to be a unique challenge, but prepared marketers can find opportunities to help their business pull ahead of the competition. Some of the top ideas to keep in mind as marketers rethink their playbooks for the future include:

- **Loyalty now protects against loss of cookies later:** The coming diminishment of cookies and other passive tracking tools means retailers will need to focus on first-party data while respecting privacy — and holiday 2022 will present a perfect opportunity;
- **‘Purpose’ branding is powerful, but requires humility:** Shoppers want to purchase items from brands that share their values, but purpose-focused branding must be a long-term strategy — one that requires retailers to step back and let the message take precedence if they want to earn the rewards;
- **Livestreaming is vital, but don’t lose access to the data:** Livestreaming is a powerful tool for social commerce, with influencers taking on expanded roles, but retailers need to remember to put entertainment and content first, while finding ways to draw shoppers into their own ecosystems to ensure they capture valuable data;
- **The financial and IT teams are now part of marketing:** Modern marketing is too complicated a task to be handled by even the most skilled marketing team alone. Smart CMOs are breaking down silos to connect with their company’s CFOs and CIOs to forge unbeatable partnerships.

COOKIES ARE DISAPPEARING, AND THE HOLIDAYS ARE THE PERFECT OPPORTUNITY TO PREPARE

Google isn't planning to phase out cookies until 2024, but retailers need to figure out a solution to this challenge sooner rather than later or else risk being caught unprepared. Retailers will need to become extremely reliant on their own data-collecting capabilities to maintain the level of personalization their customers have come to expect, which means getting them into their own ecosystems to continue tracking their actions and behaviors.

"Forming relationships and building trust with customers is more important than ever in a cookie-less world," said Katherine Black, Partner in the Consumer Practice of **Kearney** in an interview with *Retail TouchPoints*. "For this reason, **we see loyalty programs becoming a priority for both marketers and the C-suite at a lot of retailers.**"

John Harmon, Senior Analyst at **Coresight Research**, expects retailers' immediate focus to be on getting holiday inventory right due to rapidly shifting demand and inflation. However, this short-term requirement also can play into preparing for a post-cookie world. The upcoming holiday season presents a great opportunity to build purchasing habits and get shoppers into loyalty programs that can provide valuable first-party data.

"It is critically important to start this process early, and while there is still time before cookies are completely gone, that process needs to start now," said Black. "**Holiday is a great time to really ramp up efforts because it is an opportunity to re-engage loyal customers,** and most retailers will also be getting visits from customers who have not shopped with them as much in the past."

Retailers need to be open and transparent with customers if they want to maximize their data-collecting potential in a post-cookie world. Gathering personal data can be a big ask, especially now that many consumers have realized how valuable that data is, and honesty is often the best policy.

"**Opting in is key,**" said Harmon in an interview with *Retail TouchPoints*. "Retailers need to convince consumers of the benefits of offering their data. Data is valuable, and consumers should be compensated for it — either in services, loyalty points, or some other offering."

Retailers also need to discover new ways to understand their shoppers. Even the best loyalty program, used religiously by the most loyal shopper, provides less data than what is currently available from third-party and passive tracking sources. The good news is that alternate avenues for understanding shoppers still exist.

"**CMOS need to get more creative,**" said Tom Kaneshige, Chief Content Officer at the **CMO Council** in an interview with *Retail TouchPoints*. "They might need to be looking at **private marketplaces**. They might need to look at **contextual targeting**, and by that I mean they need to be looking more at **buyer intent signals** rather than ID signals like cookies. They need to look at **ad experimentation.**"

Buyer intent signals are a particularly interesting tool, according to Kaneshige. These require retailers to follow shoppers across their journey, but the payoff can be real: the right promotion offered in response to the right search term might be the difference between a conversion and an abandoned cart.



PURPOSE BRANDING IS POWERFUL, BUT PATIENCE AND HUMILITY ARE MUSTS

Purpose branding, the practice of appealing to shoppers by matching their values, has become an ever-more-important part of marketing. It requires true long-term dedication — Kearney's Black noted that **"authentic values are not built overnight"** — but companies that can match their shoppers' values can set themselves up for success across mass campaigns, targeted social posts and even the holiday season.

“Ultimately, value-based marketing messages need to build more long-term brand loyalty and trust with the core customer base of the retailer,” said Black. “Key metrics include growth in NPS and trust metrics and an increase in loyal shopper spend over time. **This is much more about long-term impact than a short-term sales blitz.**”

The low-key, long-term view approach also affects how retailers should manage the actual marketing associated with purpose branding. One of the most important elements is humility — the retailer shouldn't position itself as a hero, according to the CMO Council's Kaneshige. Instead, they should let the issue itself take center stage.

"When you do an advertisement that puts either the customer or the issue in the spotlight, and that doesn't bring in your brand and how we're going to fix it, that's a lot more effective," said Kaneshige.

"That's when purpose branding makes sense," Kaneshige added. "One of the top examples is [Dove](#). What their ad did was put the spotlight on young girls trying to live up to the image of beauty — how much pressure this was and how it hurt self-esteem and body image. Dove doesn't talk about how it's going to solve that problem. Dove doesn't talk about itself at all. They're basically telling their customers, 'Hey, we understand this issue. We're not going to perpetuate this myth of what beauty is.'"

Another challenging aspect of managing purpose branding is actually getting a story out to the customers on the right medium. Retailers can't afford to stick solely to social media or an "Our Mission" page on their website — they need to be looking for multiple channels where their story can be shared in an authentic way.

“During the pandemic, consumer attention fragmented among a larger number of channels, and so retailers need to tell a clear brand story to overcome the noise and communicate with their customers in all the relevant channels,” said Coresight’s Harmon.

MAKING USE OF THE RIGHT DATA

Data marketing performance is an important metric to track — with so many potential inputs and rapidly changing technology, it can be tricky to ensure that you're getting the most out of your efforts. A survey of CMOs by the CMO Council found the top kinds of data that helps improve KPIs are:

Content response and conversion

67%

Advertising performance metrics

64%

Site traffic/path to purchase

56%

Return on marketing investments

50%

Digital registration and engagement

49%

Search prominence

43%

Consumer market insights

41%

Customer satisfaction score

39%

Social media following

39%

Customer lifetime value

36%





THE RETAILER'S GUIDE FOR SUCCESS IN A COOKIELESS WORLD

By Dawn Paul, Content Marketing Manager, Adtaxi

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With the **2024 upcoming privacy changes** and as **retail evolves**, retailers must adapt in order to keep their brand relevant and drive sales. But despite uncertainty around the elimination of third-party cookies, there are advantages for your brand.

Third-party cookies have played a central role in helping brands create targeted, personalized advertising, and are the reason certain ads seem to “follow” you across different websites based on your past browser history. For example, if you conduct a brief search for affordable used cars in your area, your web browser would store a third-party cookie and apply this information to better inform your targeted advertisements.

Companies in the habit of buying and selling this third-party data led to concerns over user privacy, bringing us to present-day privacy updates turning control of this data back over to users. These changes are offering greater insight into what data is being requested, who can see it and what it can be used for.

Respecting customer privacy can benefit retailers twofold:

The data you receive from users is reliable. Though the reach of available third-party data may not be what it once was, consumer profiles can now be based almost entirely on first-party data, providing a more accurate image and more relevant insights into customer behavior. Increased focus on fine-tuning your own company's data collection methods can also lead to breakthroughs in brand messaging.

The data gathered directly from customers is intentional. By distributing content across different channels using your newly fine-tuned messaging and drawing in a higher volume of qualified users, brands can successfully uncover their audience's needs and how they differ by age, demographic and platform.

Companies just starting out may not have access to as much usable first-party data, but they can still apply third-party techniques to web-based platforms and sites for the time being and evaluate what their brand can offer in the form of a value exchange in the future.

Consumers are recognizing the benefits of sharing some information with businesses they value and trust. In **Adtaxi's 2021 privacy study**, 44% of U.S. respondents said their online experience is better because apps and websites collect their data, and 45% said they generally give permission to collect their personal information when asked. Preferences are clearly moving toward informed choice and control rather than a blanket ban on all data collection.

First-party data — the customer information that you collect yourself — is an incredibly valuable resource when used correctly. If retailers can tap into consumer preferences around consent and personalization, they can build a new and highly effective approach that centers on trusting relationships and ethical data practices.

Relying less on the third-party cookie economy doesn't mean ad tracking goes entirely out the window. Campaigns can still secure user data through APIs like **Google Chrome's Privacy Sandbox**, using mobile ad IDs or making certain content available in exchange for first-party data.

Normalizing first party data-based campaigns poses a major opportunity for retailers, since brand-owned data can still inform all the previously available targeting levers and platform-specific campaign tools you've likely become familiar with.

Here are some common approaches advertisers are utilizing to adapt to recent privacy measures limiting the use of third-party data that retailers can tap into now:

- **Leverage native advertising** to expand your audience on social media feeds. Native ads are an opportunity to directly control the brand message and user experience and are demonstrably more readable and shareable on social media compared to display ads.
- **Create ad groups targeting “Only Trackable Users”** on **The Trade Desk** platform to cater to your customers' journey across devices and channels where your ads will have the most impact. Cross-device targeting will reveal valuable insights into how your audience acts and which behaviors, devices and experiences lead to the most conversions.
- **Implement device ID-based targeting strategies** away from mobile Safari by serving ads across in-app environments. In-app advertising provides precise first-party data gathered from the app's policy agreement (usually required in order to download). Matching mobile device IDs to users allows your brand to reliably target by geolocation and other personalized options.
- **Develop quality content** in line with the ideal specifications for each marketing channel, including **video ads** where appropriate (which is most places) to **drive internet traffic** and **increase your investment**.

To prepare for 2024's privacy changes, retailers should take time to make process changes permanent, and this doesn't mean your marketing plan needs to forgo digital advertising. But it does mean you need to refine your strategies and consider different concepts. Implementing required ongoing testing may greatly increase your ability to pinpoint what works best, driving results and helping you maintain current customers while connecting to new ones.

In order to remain competitive as a retailer, you need to be prepared and tap into a strategy that uses the benefits of the privacy changes, building something even stronger with first-party data.



SOCIAL COMMERCE MUST COMBINE ENTERTAINMENT WITH CUSTOMER ACQUISITION

Social media is a potential gold mine for any marketers looking to get their message to shoppers in an authentic, personal way, and livestreaming is quickly becoming a must-have tool. Coresight estimates that the U.S. livestreaming ecommerce market will grow from **\$20 billion** in 2022 to **\$68 billion** in 2026, at which point it will account for more than **5%** of all ecommerce sales.

However, retailers need to understand *why* shoppers are interested in livestreaming before they formulate a strategy. The most popular reason for shoppers to tune into a livestream is entertainment, at **41%** of viewers, according to a February 2022 **Coresight survey**. This means actually selling products may not be front-and-center for many livestream events.

“Retail companies should adjust their strategy with a test-and-learn approach to incorporating entertaining content into their livestreaming campaigns — a channel that can enhance a brand’s reach among younger, digitally savvy consumers,” said Bao Arakov, Analyst and livestreaming specialist at Coresight Research in an interview with *Retail TouchPoints*. **“Companies should also encourage audience participation to drive excitement around a livestream** — such as through challenges, games and polls on social media and during livestream sessions.”

Generating the excitement of being part of a real-time group and getting encouragement from fellow shoppers is important, but the process doesn’t end there. Arakov said that retailers should use social interactions to navigate customers toward their own websites and apps, such as by offering discount code-driven sign-ups, in order to collect data and avoid losing that information to third-party channels.

Influencers also remain an important part of any social media push, and the social media platforms themselves have been adding influencer-focused services to help them build out their own intellectual property as a revenue source. Marketers can work with influencers on both co-branded products and sponsored content, and the influencers' expertise can help drive strong social media marketing pushes across multiple audience types. Even smaller influencers can be "powerful allies" due to their authenticity and dedicated followers, according to Arakov.

"The best advice that we can give here is to actively manage it," said Kearney's Black. **"We see different ratios of nano, micro and macro influencers working in different categories so there is not a golden rule that applies everywhere** — but there is a most efficient solution out there for most brands, and it is important to understand how to achieve that."

WHAT ARE THE TOP PLATFORMS FOR VIEWING LIVESTREAMS?

Coresight polled **502** respondents who have watched a shoppable livestream and asked them what platforms they had used. Below are the top **two to three** platforms for different categories of livestream channel, as well as the share of respondents who had used them:

Social Media

Facebook Live



YouTube Live



Instagram Live



Livestreaming

Spin Live



Popshop Live



ShopShops



Marketplaces

Amazon Live



QVC online



NEWNESS



Owned Media

Retailer's Website



Brand's Website



Source: Coresight Research



FINANCE AND TECHNOLOGY PARTNERSHIPS TIE IT ALL TOGETHER

Any marketing campaign is only as good as its results, and as the marketing space becomes more complicated marketers, and CMOs in particular, need **two allies** to help them achieve this goal: the CFO and the CIO. An organization's CFO can help them gain a better understanding of how and why campaigns are succeeding, while the CIO can guide the usage of technology to both implement campaigns and get the most out of the data they produce.

Close collaboration between the CMO and CFO can enable incremental financial improvements of **20% to 40%**, according to [Google](#). Together, they can align a retailer's marketing and business objectives to create common goals and leverage the data gained from this partnership to achieve a measured growth strategy.

Collecting and understanding the massive amounts of data involved in modern marketing requires specialized tools, including new marketing technology (martech) platforms, and that's where the CIO comes in. Whether focusing on strategies for personalization post-cookies, perfecting a social commerce funnel or simply ensuring your holiday marketing strategy is utilizing every available tool, the CMO and the CIO are natural allies.

"The baseline is this: [CMOs] need to get a better relationship with the CIO," said the CMO Council's Kaneshige. "The CFO and the CIO relationship has always been dysfunctional, but as marketing has become data marketing — more of a science and more of a technology-driven organization — they need a better relationship. They need a shared partnership at the strategic level of martech acquisition, of martech synergy, throughout the vetting process, throughout the testing process and throughout the pilot projects — everything. **IT has to be involved with every stage.**"

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Founded in 2010 within MediaNews Group, Adtaxi is a client-centric digital organization that brings passion, precision, and sophistication to digital marketing. Leveraging the belief that people matter as much as technology, we help customers solve complex marketing challenges with custom, performance-driven solutions. We made our mark in programmatic advertising before expanding into search, social, and connected TV. Over time, we have refined and perfected our holistic performance-based strategy designed with an innovative full-funnel methodology that utilizes a variety of tools and processes. By using omnichannel optimizations across channels throughout the client lifecycle, we are able to maximize performance and deliver superior value for advertisers. We function as a true partner with our clients, acting as a single point of contact and support through multi-platform campaign cycles.

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