



## **Privacy Sandbox APIs go live**

Active preparation for 3P cookie deprecation in 2024

Updated: September 15<sup>th</sup> 2023

**Better decisions, faster.**

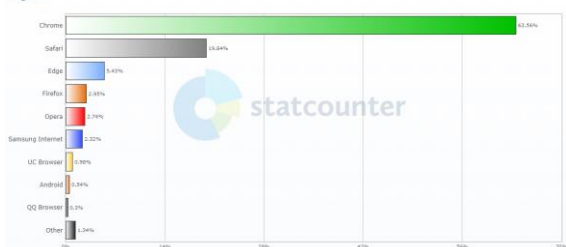


## Post 3<sup>rd</sup> party cookie solutions becoming tangible

### Privacy Sandbox APIs go live

The conundrum of delivering effective advertising targeting at scale while maintaining consumer privacy is a massive undertaking for the whole digital advertising industry. Google has worked on this task since 2019. Developing the open source initiative '[Privacy Sandbox](#).'

Browser Market Share Worldwide  
Aug 2023



The Privacy Sandbox integrates with the Chrome browser and remains the world's most popular, with around [63% global market share](#) across mobile and desktop. Based on [open-source Chromium](#), Microsoft Edge has also shown signs of supporting the technology.

The task has proven more challenging than initially expected. The Federated Learning of Cohorts (FLoC) approach was [abandoned in early 2022](#).

Topics is the most recent solution to audience-based targeting without 3rd party cookies. The program significantly advanced [the planned third-party cookie deprecation](#) in the second half of 2024.

The Privacy Sandbox [relevance and measurement APIs](#) were [generally available](#) to Chrome users worldwide in the past week.

The APIs include [Topics](#), [Protected Audience](#) (previously FLEDGE), [Attribution Reporting](#), [Private Aggregation](#), [Shared Storage](#), and [Fenced Frames](#). These APIs enable Privacy Sandbox solutions such as Topics to work at scale. Enabling future testing and implementation.

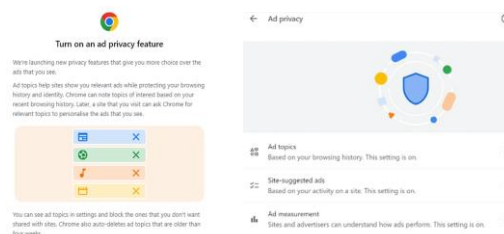
These plans are [not without their detractors](#). Apple and Mozilla have [rejected at least the Topics API](#) for interest-based ads on [privacy grounds](#). Some coverage accuses Google of [inserting spyware](#) or acting in [an anti-competitive](#) manner.

The UK government has an [ongoing investigation](#) into the competition implications of Privacy Sandbox, and Google has [agreed to abide](#) by its recommendations.

**Better decisions, faster.**

### Topics shift data strategy

With Topics, the browser on the device plays a crucial [role in determining what ads consumers see](#). The [browser learns about user interests](#) as they look around the web and track data on the types of websites they visit.



Most Chrome users will have seen this dialogue in the past week asking them to opt into a new 'ad privacy feature.' Enabling the browser to capture information allows users to control what data is shared about them.

Google has a list of [469 topics](#) used to categorize websites visited. The [Topic taxonomy](#) will change over time, balancing the efficacy of more granularity with the risk of potential user fingerprinting.

Topics ascribe a publisher domain under a "topic" aligned to a category, e.g., Travel & Transportation, Beaches & Islands. Publishers will need to [implement the Topics API](#) for this to happen.

Users will be assigned five weekly topics (with one random topic to protect privacy). Three rolling weeks of data will be stored, meaning up to 18 topics per browser. One topic from each of the three weeks will surface when ad requests occur. Ad decisions are then based on those topics.

There are limitations to the utility of Topics, meaning they will need to be combined with other signals. Firstly, they are very broad, for example visiting sites about the Greek islands may trigger the 'Beaches & Islands' topic, but travel advertisers from other parts of the world are unlikely to be relevant.

The 3-week window timeframe is up for debate as to whether it is too short or too long. A car rental brand may be wasting investment targeting users in the market three weeks ago. At the same time, an interesting signal from four weeks ago may still be viable for a new car sale.

Reach will also impact users interested in a given category, which will only be surfaced in one-sixth of ad requests.



## The testing window opens

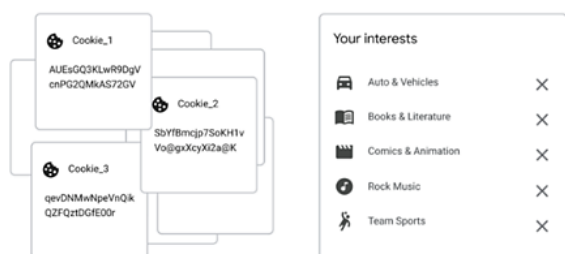
It should be noted that significant impacts won't be seen until 3P cookies are fully deprecated, as planned, in the second half of 2024.

However, optimal solutions and a well-defined process will need to be in place by then. A testing window is starting to open; OMG will lead innovation with ad tech partners across [two testing modes](#).

- Mode A: In 2023, Google will open 10% of Chrome browsers to topics-based targeting while maintaining access to 3P cookies.
- Mode B: From Q1 2024, around 1% of browsers will have cookies turned off entirely.

OMG published a [detailed update on Google's timeline and testing strategies](#) earlier this year.

Google's initial focus is on internal testing of technologies this year. It will be H1 2024 before large-scale advertiser tests are possible.



Ongoing testing will also be needed to optimize workflow and data structures. For instance, the 469 topics are not well aligned with ad investment, with the most significant categories underrepresented and niche categories, such as books, having nine discrete topics.

We may also see rules to optimize capability, performance, and revenue. For example, regarding time frame, some topics may be more likely to surface in the first-week window, and others weighted towards the third-week window.

Early testing shows Topics can be effective. A recent OMG test drove a 16% reduction in CPA compared to standard Google Affinity targeting while successfully delivering the campaign budget.

Conducting innovative tests with predictive value is going to be essential. OMG has been working on this with crucial ad tech partners and will have more to share later in the year.

## Solutions for 2024

Cookie depreciation in Chrome in 2024 is increasingly likely and already with us across [many other browsers](#) and platforms.

Preparation will be essential, including testing programs for post-cookie solutions and topics and conducting [OMG readiness assessments](#) to define specific changes and challenges.

Privacy Sandbox technologies such as Topics will not be able to replace the efficacy of cookies on their own entirely. Instead, we must consider this solution as one signal amongst many that must be combined within a clear data strategy.

Communications strategies will need to leverage brand attributes, utility, user permissions, and first-party assets to deliver competitive advantage through signals not widely available.

Buyers are already using privacy-forward addressability solutions such as addressable media identifiers (e.g., UID2.0), contextual signals, walled-garden audience segments (e.g., Google's Interest Based Audiences), and their 1P matching to publishers via Clean Rooms. Legislation in different regions will define the combination of signals available.

These tactics will be more significant in audience targeting once third-party cookies are no longer circulating.



These approaches are detailed within [OMG's Future Signals](#) program (password: FutureSignals), which has been researching and recommending solutions since 2021. Look out for the next chapter: Future Signals 8 in Q4 2023.



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