

Future of the Cookie

An IAB Initiative and Working Group

As someone who's been involved with web-based software development since before Netscape went public, I can confidently say that the use of cookies has gotten out of hand.

Originally designed for simple temporary data storage, the cookie now forms a fundamental infrastructure of the Web, being used for user profiling, segmentation and optimization, targeting and retargeting, mapping user IDs between platforms, buying and selling of data, end-user privacy controls, frequency capping of ads, Web analytics, online advertising attribution and verification, session management, shopping cart management the list goes on.

The problem, speaking from a Product Manager perspective, is that the use cases and requirements for a persistent and anonymous online tracking mechanism have long surpassed the capabilities of the cookie. The square peg has been hammered into the round hole for too many years, evidenced by numerous issues experienced by online publishers, consumers and the online ad industry as a whole.

For online publishers, the proliferation of 3rd party pixels has increasingly slowed page loads, increased discrepancy counts, degraded their user experience, and justified concerns of data leakage. It's also led to a broken compensation model – publishers risk revenue loss if they don't support 3rd party pixels, revenue loss for the users that block or delete cookies, and a tilted playing field favoring large consumer Web site brands who can track users for longer. And publishers are certain to have additional burden as various initiatives such as Do Not Track, browser opt-in defaults, and regulatory measures gain traction.

For online consumers, the proliferation of 3rd party pixels has degraded their online experience and increased anxiety over online privacy. With data collection so widely fragmented over countless domains, devices, browsers, apps, etc. it's impossible for them to apply privacy controls consistently, let alone make their online choices persist over time.

For the ad industry as a whole, the reliance on cookies (and 3rd party pixels) combined with the magnitude of cookie deletion (churn) has resulted in a battle between a rapidly degrading economic model, and the costly, continuous and high-volume deployment of cookies. Even though cookies are unreliable as a user tracking mechanism, especially across devices, the industry continues to deploy them at an escalating pace, causing excessive network traffic and related costs, "internet bloat", regulatory threats, and anxiety among consumers and publishers.

But there is a future for the cookie and an opportunity to turn the industry's most negative issue into a positive (or at least a neutral) one that will result in a win/win/win for publishers, consumers, and advertisers. Along with Philip Smolin (Turn), Susan Pierce (Google), Amy Kuznicki (Verizon Wireless) and Brian Murphy (AOL), I'm proud to be co-chairing an ambitious IAB Advertising Technology Council initiative called The Future of the Cookie along with the IAB's Mobile Marketing Center of Excellence.

We've recruiting leaders from the top companies in the digital advertising industry to join us in a mission to discuss and propose responsible solutions to the problems that exist today—and then execute a plan that leads us into the future of online user tracking, transparency, and control.

The working group is currently considering 6 distinct solutions, and would like to share our work with the W3C, as well as learn more about your efforts. Current working group members include representatives from the following companies:

- Rubicon Project
- Google

- Turn
- Rocket Fuel
- nPario
- Electronic Arts
- Adobe
- Media Mind
- Digital First Media
- Operative
- NBC
- Facebook
- DataXu
- eXelate
- Blue Kai
- Microsoft
- Yieldex
- Mocean Mobile
- Verizon Wireless
- Greystripe
- AOL
- AT&T AdWorks
- Pandora
- InMobi
- NY Times
- 24/7 Media

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