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As the Digital Cookie Crumbles: Hospitality Marketing Survival in a Cookie-less World

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About the Author



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Source: Image by Barry Frenchette

Who Took Our Cookie Away?

At the beginning of 2020, Google announced that it would cease the use of third-party cookies in its Chrome browser by 2022 (Schuh, 2019). Now, after over a year of working on the initiative, Google issued a subsequent statement on June 21, 2021, extending its current deadline to mid to late 2023 (Goe, 2021).

“Cookies” or Internet Cookies are data files that help websites keep track of user visits and their activity. Google isn’t the first to eliminate the use of third-party tracking on websites. Both Apple’s Safari and Mozilla’s Firefox had previously announced similar plans for their browser (Lomas, 2021). Google’s announcement, however, was the most significant to date because it signaled a “no turning back moment” for digital advertisers. Going forward, everyone in the field must take consumer data privacy seriously, or face the consequences, legally and from angry consumers.

It’s not just cookies on trial either. Apple’s announcement last year to discontinue the IDFA, Apple’s Identifier for Advertisers, a setting for users who don’t wish to be tracked by advertisers, has also raised serious concerns among many mobile marketers and

app publishers who rely on tracking and monetizing consumer data. The Apple move alone will impact the mobile advertising industry for many years to come.

The Battle Between Consumer Data and Privacy

This is not the first time hospitality marketers have tangled with data privacy and consumer protection laws and regulations. The hospitality industry, like others, already had to adapt practices to comply with new data collection standards and practices, stipulated first overseas through the ‘General Data Protection Regulation,’ more commonly known as “GDPR” (<https://gdpr.eu/what-is-gdpr/>). Data protection laws have since jumped the pond to the States, first in California with the “California Consumer Protection Act” or “CCPA” and more recently in Virginia with the “Consumer Protection Data Act.”

At the present moment, the US doesn’t have a federally mandated law that protects consumer data privacy like the European Union and the GDPR. But, as more states like California and Virginia pass new regulatory standards around data privacy, consumers will slowly gain more control over their personal data and how it’s used. This includes the right to make requests of companies to both access and delete their personal data. And in some cases, brands must agree not to sell a person’s data nor collect any piece of data that would be considered personally identifiable, or “PII.” This includes data such as email, credit card information, personal browsing history, and geolocation.

In its announcement, Google said it would create what it is calling the Privacy Sandbox, and its intention to “create a thriving web ecosystem that is respectful of users and their privacy by default.” In doing so, Google would also reach out to, and work directly with, the ad tech community to find new ways to track consumer behavior in this new world of anonymous marketing.

How Can Hospitality Marketers Prepare?

For digital marketing clients in the hospitality and tourism sectors, uncertainty is growing. For years, hospitality brands have relied – maybe over-relied – on their ability to micro-target consumers across ad networks, mobile exchanges, and social media platforms. The industry relies on real-time user data in order to pitch the most salient offers at ripe moments in the consumer journey. For brands with investments in technology geared towards data aggregation and marketing attribution – and large media budgets – the ban on cookies will be a shock to the system. Adapting and re-aligning marketing resources and platforms will be a major challenge.

While this new era will affect a variety of verticals, how can hospitality marketers track and acquire customers online? How can the sector reach specific demographics, stay relevant, and personalize the experience? Through a “customer data first” approach.

The “Customer Data First” Approach:

Every crisis presents an opportunity, and the crumbling of the internet cookie is no different. For hotels, big and small, the crisis of this moment presents an opportunity to deepen relationships with customers. Counter-intuitive as it may seem, this moment requires hotels to lean into the privacy movement by mandating and prioritizing customers’ call for more data privacy. Industry-wide, hotels, restaurants, destinations, and other hospitality verticals and assets need to develop and prioritize a “Customer Data First” (CDF) mindset and approach, meaning first-party data is what companies need to invest in:

1. Respect Data Privacy. Period.

Relationships are hard to maintain. Successful ones grow and thrive when there is genuine and mutual respect. Companies today need to headline their marketing plans with an upfront and unequivocal pledge and commitment to a consumer’s right to data privacy. C-suite buy-in is essential, and a marketer’s case is airtight. This is what customers want, and the customer is right. Hoteliers need to honor the will of their customers, embrace it, and cater to it.

If anonymity is a user’s preference, uphold that preference. When consumers share data with you, ensure transparency, that they understand clearly how the data will be used, and how they opt-in. Essentially, the hospitality product needs to communicate the appreciation for the guest’s desire for privacy and respect it.

Smart hotel marketers will convey that data privacy is a strength of their brand. Taking this stand for data privacy is a way to demonstrate an extension of hospitality through every digital interaction. Positioning should shape and inform the brand’s perception.

2. E-mail is the New Killer App

In a post-cookie world, email will become an ever-more critical channel for hotel brands. It will be the most important channel for building trust and credibility with consumers – and for learning their preferences about data. Executed properly, with data transparency, email can be the most direct and seamless way to communicate one-on-one with an audience.

And because guests appreciate a value exchange, marketing professionals can ask for more than an email address. For a relationship to be mutually beneficial, there needs to

be value for both parties. In today's environment, it is incredibly difficult to motivate a consumer to willingly share their email address or any small piece of data. But with a CDF approach, hotels can implement a value exchange for every piece of data requested. Hotels are in an enviable position with the ability to offer a variety of incentives and perks. These deals set the stage for an ongoing conversation with customers, and expanded opportunities to collect deeper information, which in turn can help brands anticipate future needs and drive a more personalized CRM (customer relationship management) strategy.

Ultimately, a hotel's first-party data, the information collected directly from customers, will be its most valuable marketing asset and will be the key to working with the likes of Google, Apple, and Facebook. By catering to the desires of guests and communicating a pledge to protect privacy, a brand can improve the customer's experience and enhance loyalty.

3. Back to Basics

Respecting data privacy ushers in other positive trends. This will be an era for new creativity and a more logical approach to digital media buying, a potential improvement from the current pulling of levers and pushing buttons. There are a range of sophisticated digital ad targeting methods available today. For example, contextual ad targeting is a tried-and-true strategy. For hotels, that means essentially placing the most appropriate ads within the right context while the user is already engaging with travel or hotel-related content. This strategy is especially ripe for hotel brands that leverage compelling video content. These brands will be able to target new customers dynamically, placing their messages in the right place at the right time as customers are researching, planning, and booking their trips.

How Should Marketers Plan Ahead?

The ban on cookies will require adjustment and adaptation, but hotels are in an enviable position. In a cookie-less world, hotels will not just survive, they can thrive. Compared to other verticals, the lodging sector possesses powerful databases of loyal, opt-in users who actively seek values, specials, and ongoing relationships. By embracing online engagement, a brand is once again catering to customers' desires. This shift will bring everyone back to basics. Companies will be able to learn even more about customers, and market directly to them *with their permission*, proclaiming values as a customer-first brand.

By investing in and leveraging first-party data, hotel brands can increase existing customers' spend over time and, all the while, becoming better-equipped to mine data to find their next best customer.

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