# Adjusting to a Cookieless World

With much of the worlds of business, economics, media, retail and technology, etc. advancing at a maddening pace, everyone must be prepared to adjust rapidly and very significantly. Not only is maintaining some understanding of these changes necessary but also being able to apply these changes to improve one's life, grow a business and maximize sales and revenues.

With Google's pending removal of cookies by 2024, the tug of war between consumers and brands and retailers about personal data privacy is quickly approaching a critical portion of the contest. Twilio's new The State of Customers study reveals why consumers are digging in their heels.

- **98% expect companies to be more diligent protecting consumer privacy.**
- **95% say they must control their data, especially any identifiers.**
- **67% think companies should use first-party data for personalization.**
- **31% always choose not to use cookies on the Websites they visit.**

As is often the case, brands and retailers are hedging their bets. Almost 90% know using first-party data creates better customer interactions, but slightly more than 80% still have third-party data anchoring the end of the rope.

Brands and retailers' contradictory use of consumer data is still causing consumers to sever their relationships. The Twilio report found slightly more than half (51%) of consumers were unhappy with those relationships during 2022, a five-percentage-point increase from 2021.

The cost of processing customers' demand for personal data privacy and the six US states with privacy laws is another compelling reason for brands and retailers to stop the tug of war with consumers.

DataGrail's Privacy Trends 2023 Report indicates the average annual cost to businesses to follow the letter of privacy laws and process one million data subjects (DSRs) was $648,000. A separate Gartner study stated businesses spend approximately $1,524 on average to process just one DSR.

Although only six states either have active privacy laws or will become law during 2023 (California, Colorado, Connecticut, Utah, Virginia and Iowa), more than 35 other state legislatures are in the process of passing similar laws.

# New Business and Household Migration Trends Likely Affect Ad Sales Success

## Top Five States for New Business Launches and Domestic Net Migration

| New Businesses | Migration |
|---|---|
| #1: Texas | #1: Florida |
| #2: Florida | #2: Texas |
| #3: Ohio | #3: North Carolina |
| #4: Massachusetts | #4: South Carolina |
| #5: North Carolina | #5: Tennessee |

*Lendio (US government) and National Association of Realtors (US Census Bureau), April 2023*

Where media; advertising, marketing and digital agencies; and advertising services companies are located very likely has a direct effect on selling more or less advertising.

The pandemic caused many businesses, especially smaller businesses, to close their doors, but it was also a significant factor in the record-breaking applications for new businesses during the 2021–2022 period, totaling 10 million new businesses, based on US government statistics.

The pandemic was also the impetus for many households to move from densely populated states and cities to avoid contracting COVID-19. The trend substantially changed from 2020 to 2021, as that year had the historically lowest migration rate, which has been exceeded during 2022, according to United States Postal Service® change-of-address data.

Interestingly, the states with the most new business launches during 2021–2022 and with the largest domestic net migration were very similar and primarily in the South.

Based on various criteria, such as business funding and the high cost of living and taxes, put Hawaii, Maine and New Hampshire at the bottom of the list of where new businesses were launched. The states with the highest domestic net migration loss were New York, Illinois, Louisiana and West Virginia.

When more new businesses open and more households move, there is typically an increase in the purchases of a myriad of products and services and new employment opportunities. Undoubtedly, the current economic conditions of high inflation, interest rates and wholesale and retail prices have dampened the growth trajectory of these new businesses and households.

The good news is when the economy stabilizes and businesses and households can borrow more money at lower interest rates, housing prices continue to decline and inflation eases, media ad sales will also improve in many more states and markets.

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Convenience Stores: Moving Forward
(February 2023)


The Media Juggling Act
(March 2023)

The Unstoppable Consumer
(April 2023)

## 2023 Can Still Be a Winner

Be the Media Juggler Advertisers Will Applaud – Read the March Special Report to gain insights about how to propose a media mix that will propel local advertisers to success.

Auto Industry Doing Better – Most auto brands and manufacturers improved sales during Q1 and more of them are addressing climate change to attract new generations of buyers.

Consumers Want Convenient Online Shopping – As more consumers buy online, they are demanding more control of the process, according to the March New Media Insights Report.

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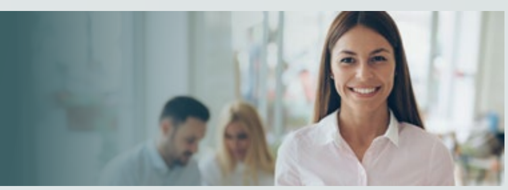

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