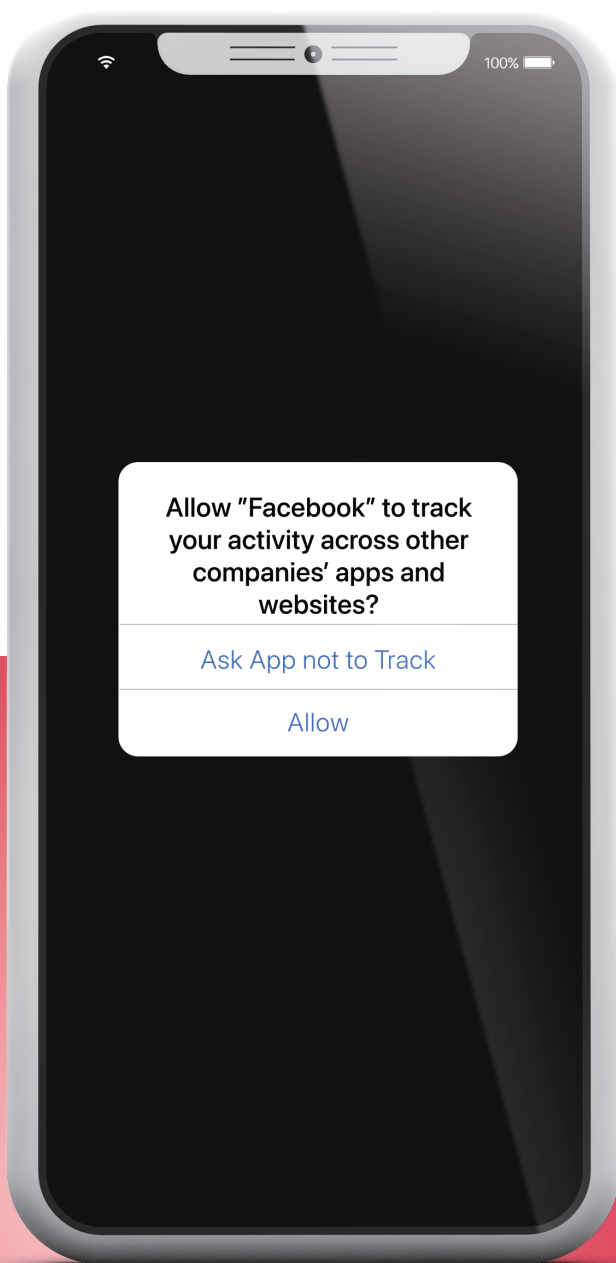# SOCIAL MEASUREMENT
THE END OF THE PARTY

Ogilvy | Social.Lab

WHAT IS CHANGING?

Privacy and data usage take centre stage in the latest updates to Apple's operating systems. This update is a direct consequence of the tight data and privacy regulations enforced by the GDPR and the ePrivacy Directive. With searches for 'online privacy' at an all-time high, and this being a concern for people around the world, the old method of collecting behavioural data as we browse needs a drastic change. Tracking as we know it is about to change drastically as the volume of data that platforms will be able to capture will decrease significantly.

As a result, data tracked by solutions like pixels should rather be used as indicators than an actual measurement of campaign impact.

BY ELLIOT STEED
SENIOR SOCIAL MEDIA STRATEGIST

Allow "Facebook" to track your activity across other companies' apps and websites?

Ask App not to Track

Allow

The iOS 14 change that is most likely to impact Facebook advertising is related to permissions. Going forward, apps such as Facebook will be required to get permission from users to track them or access their device's advertising identifier.

Users will need to explicitly opt-in (not opt-out) to provide these permissions which is not the way Facebook generally operates when it comes to privacy and data collection. Facebook may alert you to the data that is collected and how it is used, but in the past, users needed to update their privacy settings in order to opt-out of these practices.

The Apple prompt will make it clear that the app wants permission to use your data with two simple buttons; 'Allow Tracking' or 'Ask App not to Track.' If users opt into sharing data, there won't be any change to data use. If they opt out, Facebook will have to restrict conversion and other event information.

It is in some sense, the end of the third-party tracking party. New regulations won't allow advertisers to track all browsers behaviors and will change the way advertisers approach their digital distribution and reporting. However, this doesn't mean that the digital mediums known to you will be less efficient at driving sales, it will just be much harder to track and attribute sales back to them.

WHAT IS THE EFFECT?

TRACKING:

There will be a substantial loss of tracking due to how many users decide to opt-out. Serious limitations to building retargeting audiences based on the pixel data are to be expected. Qualitative traffic volumes on the website and apps will decrease which will in turn seriously increase the cost per action.

Facebook representatives estimate a 150% increase in the CPA when moving from conversion optimization to link-click optimization.

AUDIENCE SIZING:

As more people upgrade to iOS 14, opted-out users will automatically be excluded from certain targetable audiences, which may result in a decrease of audience sizes.

OPTIMIZATION & TARGETING:

If Facebook is tracking fewer events, it will be more difficult to effectively optimise campaigns.

Also given the up to 3 days delay, this will slow down advertisers' abilities to optimize, since they must wait 3 days to see any impacts. This will also delay how quickly retargeting pools for campaigns can be built.

ATTRIBUTION:

28-day click and 28-day view through attribution will be going away entirely.

A 7-day view through attribution is also going away, but 7-day click will remain. 1-day click attribution will be "modelled" since there is a delay in data.

DATA DELAYS:

Overall, data will be delayed from 24 to 72 hours. This may prevent quick changes in media strategy depending on how advertisers set up their priority events.

5 ISSUES ADVERTISERS WILL FACE

01

With the same level of performance from touchpoints, returns will be slimmer.

02

ROAS will significantly decrease after the update, and CPA's will rise.

03

Retargeting audiences will decrease and may be too small to use in campaigns.

04

Attribution methodology will shift from conversions based on people who viewed an impression to conversions based on people who clicked.

05

Action and demographic breakdowns will be depreciated.

MEASUREMENT OUTLINE

HOW TO REACT?

EMBRACE THE DIFFERENT APPROACHES TO MEASUREMENT:

We truly believe that this change creates the perfect opportunity to build a new online advertising ecosystem, one that allows advertisers the opportunity to create a system that will analyse real brand outcomes (online and offline growth, brand lift, etc), instead of simply measuring clicks or post-click actions.

CONSIDER IN-PLATFORM JOURNEY:

From a horizontal media activation and consumer journey in which the main purpose of the digital campaigns was to drive audiences towards the website, advertisers mayshift away from that as main objective and apply a platform-centric consumer journey with incremental experiences, aiming at increasing the brand's preference and indirectly increasing business on all conversion points.
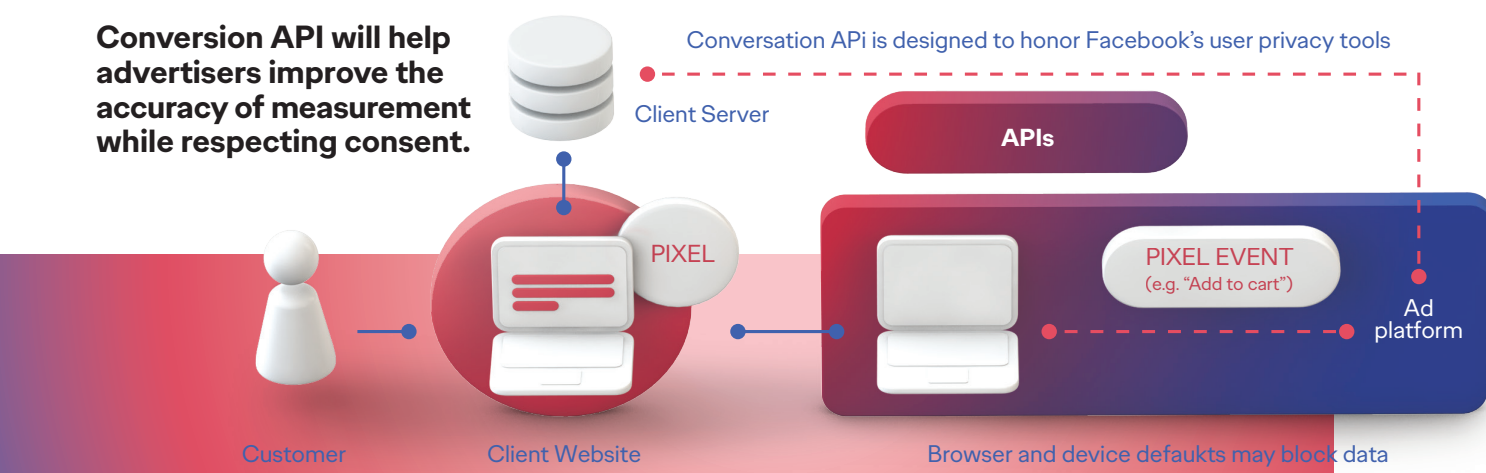
SETUP ALTERNATIVE TRACKING SOLUTIONS:

Other opportunities exist and will allow advertisers to explore a changing marketing landscape:

CONVERSION API:

The conversions API allows advertisers to send web events from their servers directly to Facebook. This means that this feature doesn't use cookies from a browser like the classic pixel does. Web browser settings don't impact the ability to send data from customers that have provided advertisers with all necessary consents.

Conversion API will help advertisers improve the accuracy of measurement while respecting consent.

Conversation APi is designed to honor Facebook's user privacy tools

Client Server

APIs

PIXEL

PIXEL EVENT
(e.g. "Add to cart")

Ad platform

Customer

Client Website

Browser and device defaukts may block data

AGGREGATED EVENT MEASUREMENT:

AEM limits website domains to 8 conversion events that can be used for conversion optimisation. To do so, advertisers need to verify their domain, setup their priority events and thus will be able to report conversions from one website domain only.

THIRD-PARTY TRACKING:

Advertisers will still be able to rely on third-party tracking tools such as Google Analytics and Adobe, however, in the next 2 years, we'll move toward a cookie less digital landscape where advertisers will have to look at alternative tracking methods. Third party tracking is a temporary solution at best.

DEPLOY NEW SALES MEASUREMENT SOLUTIONS:

Advertisers may want to turn towards other measurement solutions, for instance, they could consider 'marketing mix modeling', which is a statistical method of determining the effectiveness of campaigns by breaking down aggregate data and differentiating between contributions from tactics and promotional activities, and other uncontrollable drivers of success.

Marketing Mix Modelling can help advertises to evaluate channel impact.

Step 1 : Collect all relevant factors thet drive performance.

Price

Promotions

Online Media

Offline Media

Distribution

External / Competitive

Step 2 : Use advanced statistics to connect data to performance.

- Sales volume
- Tactic 1
- Tactic 2
- Tactic 3
- Tactic 4

Step 3 : Quantity effectiveness and impact of all activities.

CONCLUSION

In the next few years, there will be a profound change in the digital landscape as we used to know it. For advertisers, the key challenge will be to strike the right balance between having necessary privacy in place, while delivering a customized user experience.

The graph below depicts well the future potential loss of tracking, indicating to us that it might well be the end of the party, but an end that will be positive for us all. An end that will ultimately bring greater transparency when it comes to how consumer data is being used online.

From:

90-95% of website audience and activities accurately tracked

Users using some adblockers, and cookie-cleaners

To:

Estimated 30% of website audience and activities accurately tracked

Cookies Disappearance

Users not consenting to tracking (GDPR)

iOS14.5 users non consenting

Adblock users

Different proportions of tracking loss, depending on devices and technology, with no accurate measurement of volume loss...

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