

Apple's privacy requirements hurt local advertisers

By  Niamh NicLiam

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Balancing the consumer's right to privacy with the ability of businesses to accurately target consumers with relevant information and advertising is getting more complicated.



Source: www.pexels.com

Global digital marketing specialists, Incubeta, says Apple's iOS 14 privacy settings implemented last year are not just taking their toll on large international companies, but local brands are now also feeling the effects.

The repercussions of Apple's move to make cross-platform and cross-app tracking a strictly opt-in feature for iOS users hit financial headlines again late October when ad-funded tech company Snapchat's share price took a 25% knock after posting disappointing results - which it blamed on Apple's move.

The news, however, should not have been a total surprise as Facebook already admitted in a blog post in September that it had heard from advertisers that the impact on their ad investment had been greater than expected. Back in July, Facebook also warned investors that the knock-on effect of Apple's decision would have a bigger impact on their third quarter results than they had seen in their second quarter.

South Africans feeling the pinch too

While South Africa is less dependent on Apple products, local brands have not escaped the fallout.

“There has been a dip in Facebook performance at a number of local brands. When we heard the news from Apple last year we were hopeful that the impact would be negligible, but from July last year we already had to begin having conversations with clients. Once we started talking to other regions and global clients, we knew it was a real trend.” comments Niamh NicLiam, head of business partnerships at Incubeta.

All major social media platforms have been hit by the privacy move, but Facebook has been significantly impacted, due to its size and reach.



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“We have seen performance on Facebook take a knock, which has been difficult, because it’s not just big companies that have been affected. Some NGOs are seeing a marked decrease in their donations as a result of this,” NicLiam says.

A new way of thinking

The Incubeta teams are constantly refining their Facebook approach, trying various workarounds and optimisations, and NicLiam says they are seeing success. But, at the same time, she warns that brands can’t simply assume that what worked in the past will keep working.

“Advertisers and agencies will need to get creative with their testing strategies around alternative audience options or different bidding strategies. Different metrics should also be looked at. Previously we would look at the typical conversion metric like revenue and sales, but now we are also paying more attention to the engagement metrics,” she says.

Apple’s move to stop user data harvesting may result in marketers reverting back to older methodologies to manage performance.

“We haven’t been flung back into the days where we relied on focus groups, but advertisers may need to revert back to that kind of thinking - where it was a bit of a leap of faith, although now it’s a ‘statistically likely’ leap of faith. We can (and should) still A/B test quite easily with digital and we can still rely on a testing approach that will deliver insights to inform performance, we just can’t rely solely on a pixel anymore,” NicLiam explains.



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When it comes to Facebook, NicLiam says brands should also ensure that their creative is built for purpose. What works on one medium will not directly translate to another, and with Apple’s update, refining your approach to creative is now more important than ever, particularly from an engagement point of view.

Other practical steps which Incubeta advised when Apple announced its move still apply. These include:

- Verifying your brand domain on Facebook Business Manager
- Installing Facebook’s conversion API. This has been designed to replicate the functionality of the Facebook pixel for tracking and measurement, but is now server-based rather than browser-based as before.
- Using server-side tag management is also suggested.

NicLiam says that while these are some of the basics that need to be done, brands will also have to get used to the fact that data is no longer as watertight as it used to be and marketing leaders will need to adopt a more creative and pragmatic approach.

“We will need to look at things like engagement and lean into more organic strategies. It’s also important to remember that Facebook still has a wealth of data that can be effectively used for re-engagement. Taking a holistic approach to your media strategy by including PR and content marketing will also become more important. Finally, given the impact of the privacy measures, it is a good time to review your KPIs. What was possible before mid-2020 will no longer be possible today. We can no longer rely on the same metrics and our measures of success should change to reflect this,” she advises.

ABOUT NIAMH NICLIAM

Niamh NicLiam is the director for growth and partnerships at Incubeta. Niamh joined the Incubeta group in January 2015, and since then she has helped build successful partnerships with many local and global brands.

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