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How to Build a Sustainable, Privacy-Friendly Marketing Measurement Practice

ADWEEK®

Consumers expect a **frictionless** experience across their journey

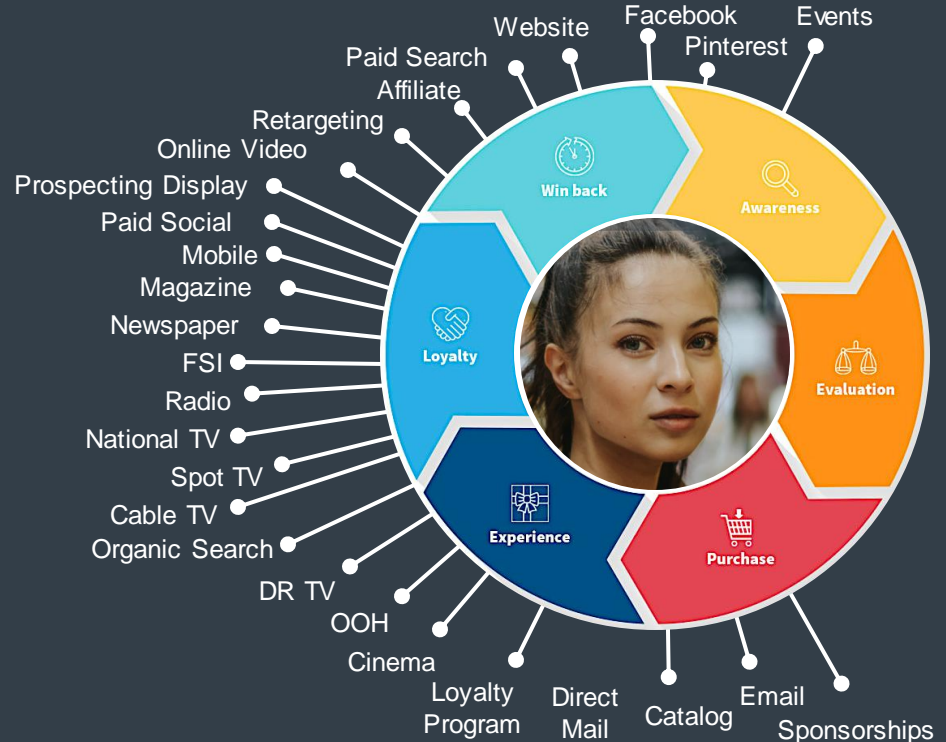


A journey that is **becoming more difficult to understand** and measure effectively

Third party cookies to be **phased by 2022**

CCPA and other privacy legislation further **restricts access** to customer data

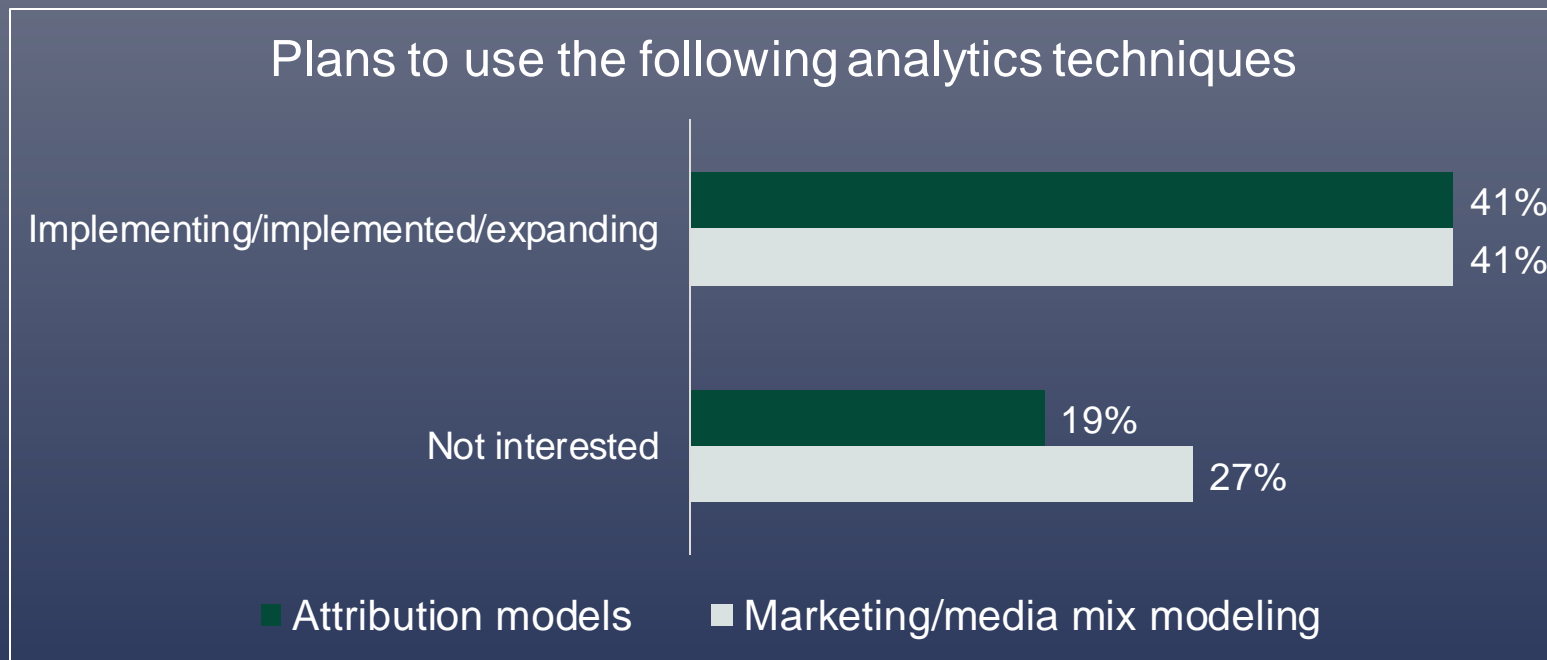
Growing consumer-based demand for trust, transparency and accountability



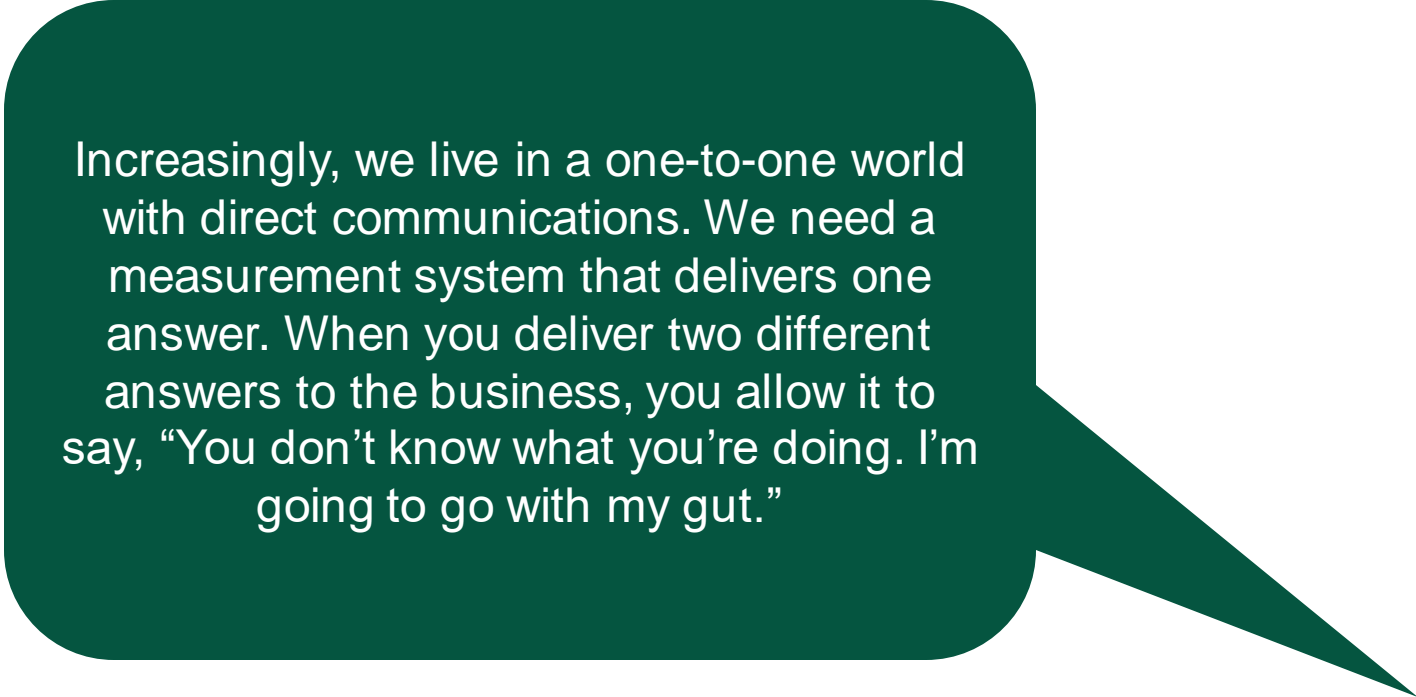
Call for data-driven business decisions has arrived

35% of marketing decision makers state improving their use of data and analytics as a top initiative over the next 12 months.

Less than half of analytics and measurement professionals use advanced techniques and tools to deliver marketing insights



Base: 246 analytics and measurement professionals; not all responses are shown; Source: Forrester/Burtch Works Q3 2019 Global State Of Customer Analytics Survey



Increasingly, we live in a one-to-one world with direct communications. We need a measurement system that delivers one answer. When you deliver two different answers to the business, you allow it to say, “You don’t know what you’re doing. I’m going to go with my gut.”

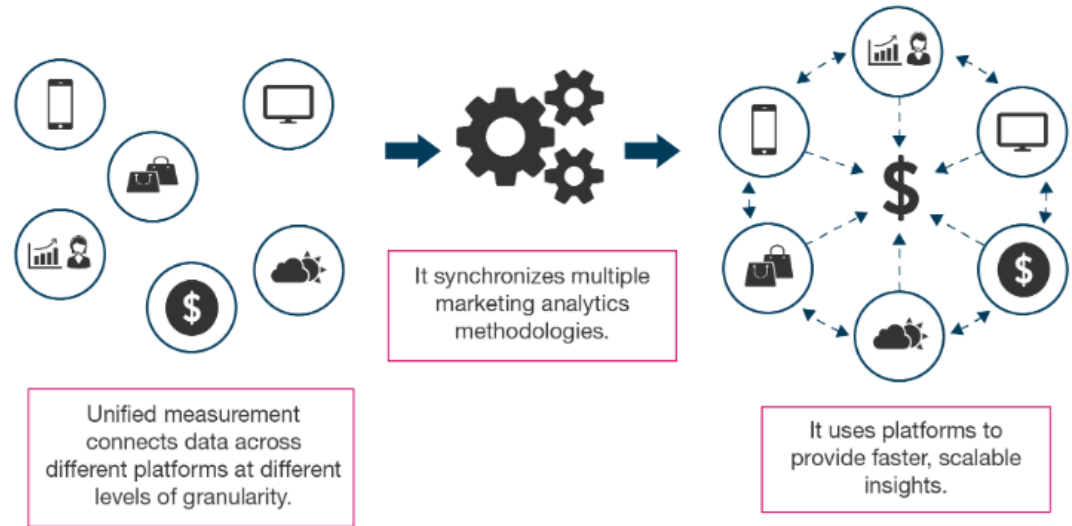
To get a complete view of performance, marketers turn to unified marketing measurement

Unified marketing measurement uses statistical approaches to enable a holistic understanding of the business impact of a marketer's entire marketing mix, including digital and offline channels, at both strategic and tactical performance levels.

Marketers need to measure marketing through a holistic **unified measurement** approach to optimize business impact.

Unified Measurement Blends Data, Technology, And Analytics To Model Marketing Performance

Customer-Obsessed Marketing Demands Unified Measurement



Source: [Customer-Obsessed Marketing Demands Unified Measurement](#) Forrester report

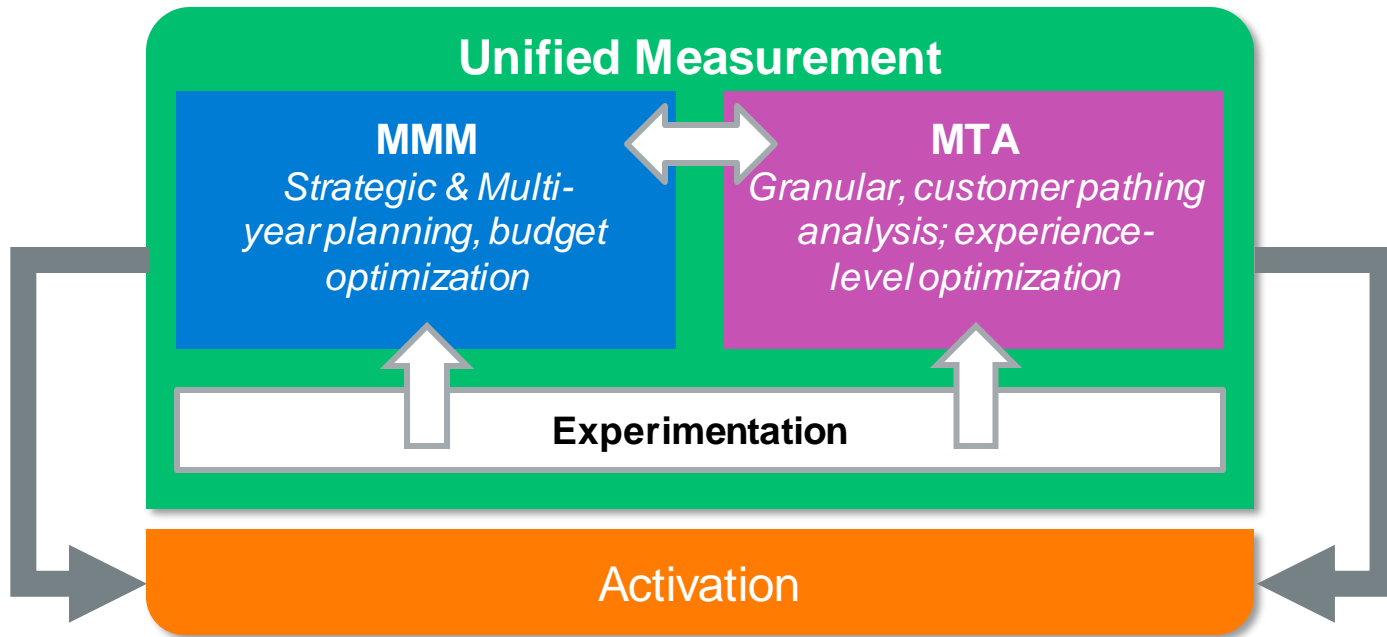
Unified marketing measurement matures

- Recognition that measures traditional and digital media separately is inadequate.
- Integrate factors to quantify nonmedia influences.
- “Single source of truth” becomes a common theme.
- More examples of implementation of unified measurement
- Greater acceptance of methodologies to unify diverse data sets

Unified measurement quantifies what drives customers to purchase



You can **measure, optimize and activate** in one place, with a single model



How MMM and MTA Models Differ

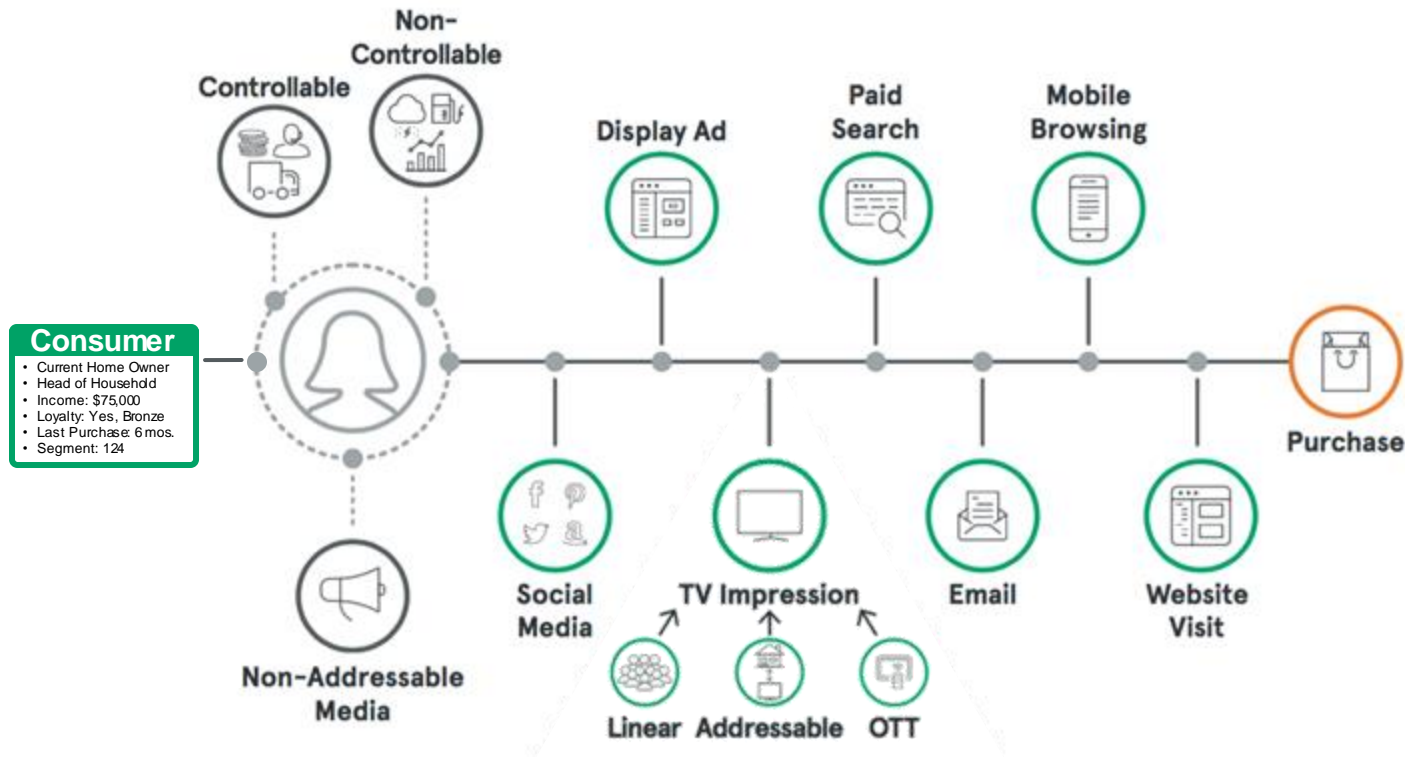
MMM Model

- Time-series Hierarchical Bayesian models
- 2-3 years of historical data required and slow to refresh
- Lowest level of granularity in the model is weekly * cross-section
- Aggregate (rolled-up) touchpoints likely to give better read
- Used for strategic media optimizations and running what-if scenario budgets

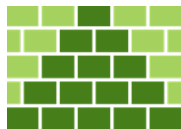
MTA Model

- Logistic regression models
- Recent data (onboarded or collected via pixel) refreshed weekly
- Dive deep into any point in time to see what element of marketing drove conversions
- Granular touchpoint reads are available
- Used for addressable media only and audience optimizations

Unified measurement requires **complete visibility** across the customer journey



Four key trends in marketing “measurement”



Data ingestion

- Automated/API data feeds
- ML routines to verify quality and completeness
- Non-media factors



Planning & Forecasting

- Predictive analytics
- “What if” scenario planning tool



Media Buying & Optimization

- Strategic and tactical budget allocation
- Near-real time results data
- In-campaign optimization



Analytic flexibility

- Ensemble of methodologies
- Analysis at varying levels of granularity
- Long- vs short-term metrics

Measurement and Analytics will innovate as data becomes more scarce



Analytic flexibility

- Ensemble of methodologies
- Analysis at varying levels of granularity
- Long- vs short-term metrics

Digital/Cross-Channel/Multi-Touch Attribution must evolve with no reliance on 3rd party cookies

- Measurement vendors will use ID based identifiers for granular level measurement
- Facebook and Google will promote their Clean Rooms to measure campaign efficacy

Journey analytics will become less transparent, difficult to attain

B2C Marketers should:

- Audit their current measurement approach to determine which campaign strategies rely on cookies for measurement.
- Establish test and control measurement frameworks at the placement or ad level for measurement
- Work with measurement vendors to determine alternative approaches to measure efficacy.

A man and a woman are sitting at a wooden table in a modern office. The woman, on the left, has dark hair with bangs and wears glasses and a dark blue sweater. The man, on the right, has short dark hair, a mustache, and wears glasses and a grey cardigan over a dark shirt. They are both looking at a laptop screen, with the man pointing at it. The background is a blurred office space with large windows and other people working.

The evolving ads ecosystem:

Adapting your business for
greater data transparency and
privacy controls

FACEBOOK

Today, billions of people
Personalized advertising
online experience a world of
benefits both people and
advertising that is personal to
businesses
them

Connects billions of people with millions of businesses

Reaches people most likely to care about a business' products and services

Lowers cost and increases impact of advertising for all-sized businesses

We must provide personalized advertising
with data transparency and privacy controls

People demand more data privacy, and, like Facebook, the industry is adapting to meet these expectations

REGULATORY

Governments are enacting consumer data restrictions: GDPR and CCPA

TECHNICAL

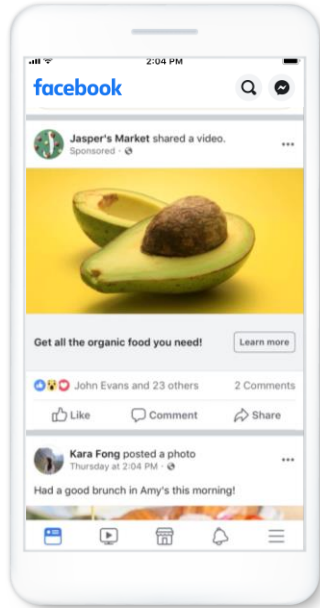
Ad platforms, browsers and devices are proposing changes that will limit measuring people across sites



We build for
people first

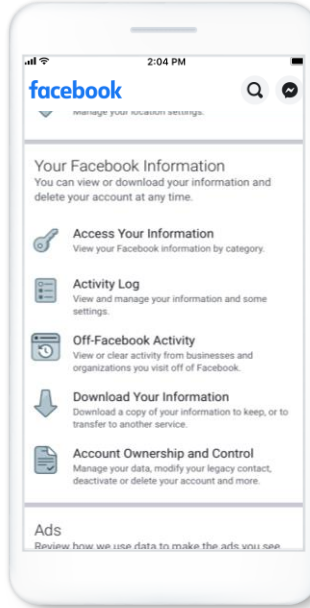


These tools help ensure people understand how ads reach them and how their data is used



WHY AM I SEEING THIS AD?

People can learn more about why a particular ad appears in their feed



OFF-FACEBOOK ACTIVITY

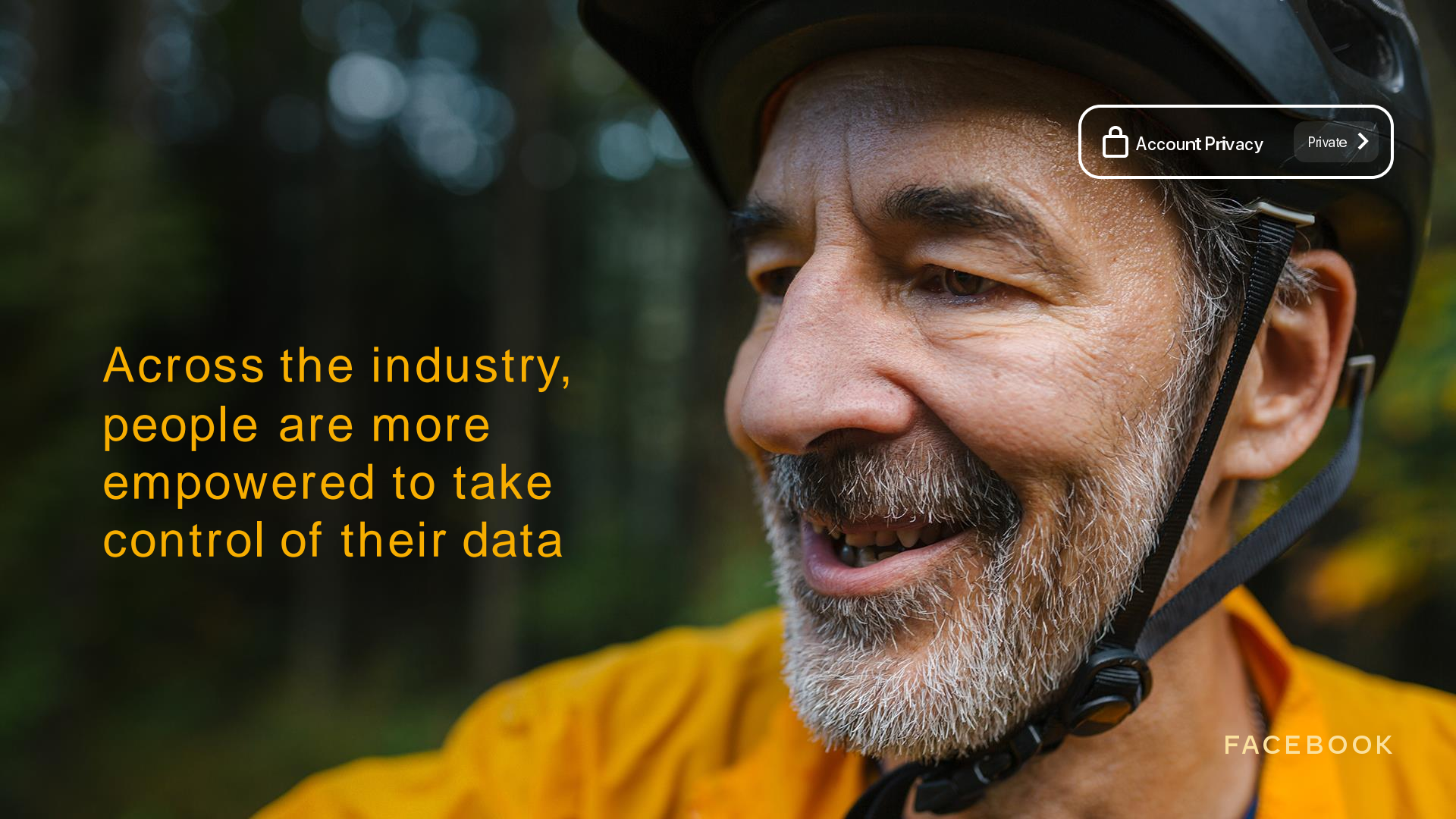
People can see and disconnect information that other websites and apps share with FACEBOOK

ACTIVE DATA FILTERING

FACEBOOK will automatically remove certain types of potentially sensitive data before they are stored

A warm, golden-hour photograph of a woman with long brown hair smiling behind a wooden counter. She is handing a red cupcake with white frosting to a customer whose back is to the camera. The customer has long blonde hair and is wearing a light blue shirt. On the counter, there is a chocolate cake on a white plate and a wooden crate filled with various cupcakes. The background is dark and out of focus.

Good for people,
good for businesses



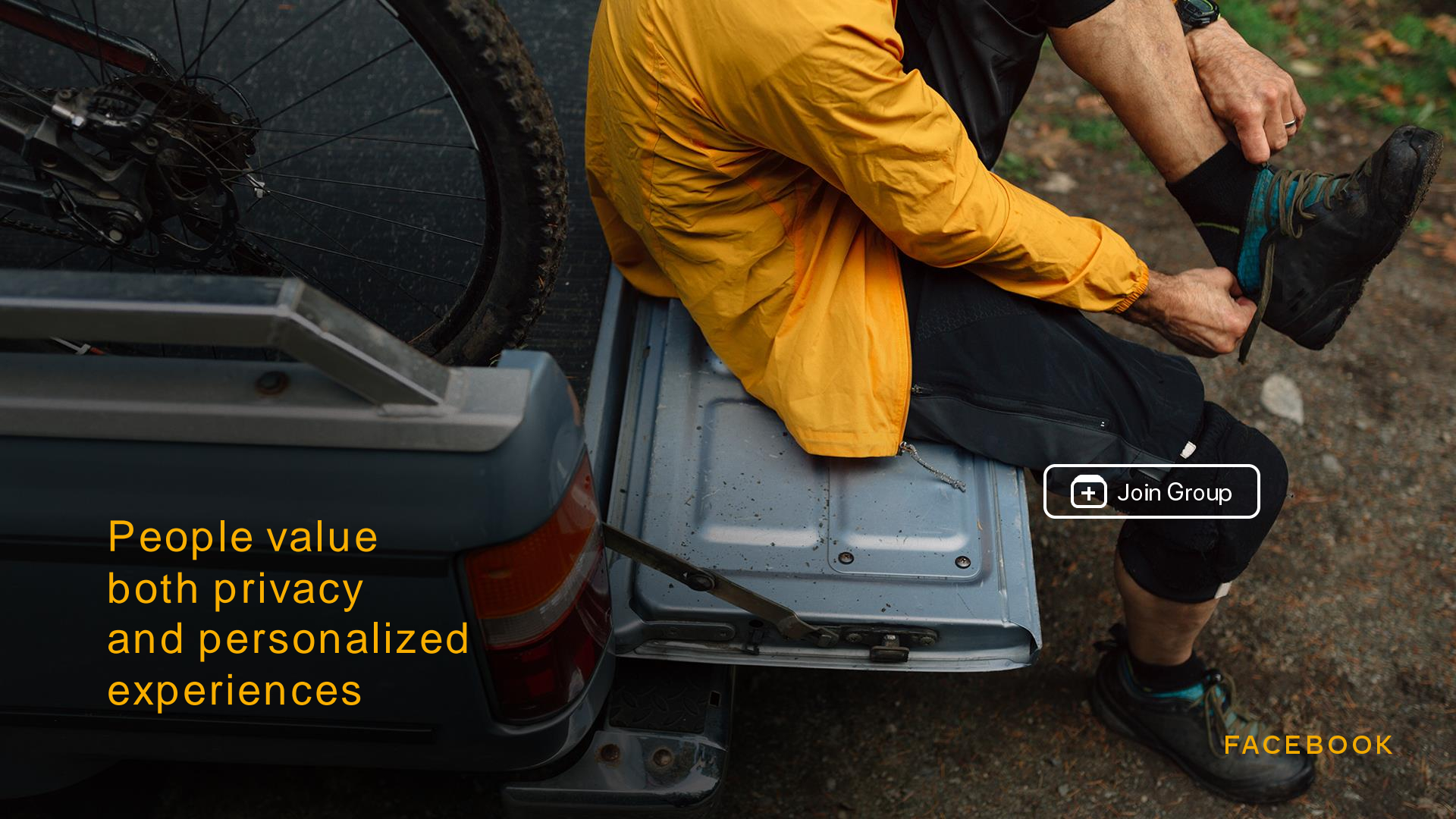
Across the industry,
people are more
empowered to take
control of their data



Account Privacy

Private >

FACEBOOK

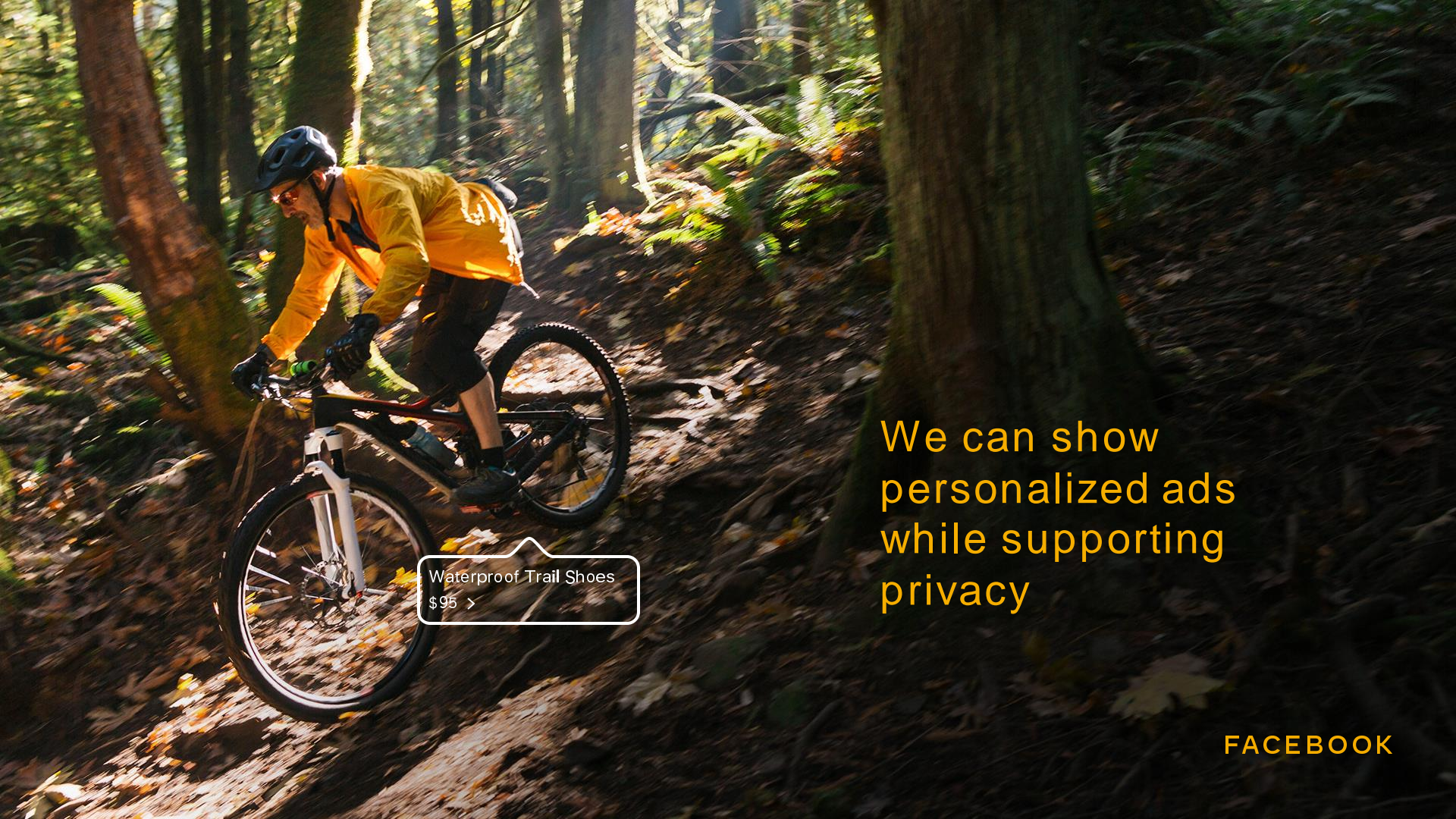
A person wearing a bright yellow raincoat and black athletic pants is sitting on the open tailgate of a dark-colored SUV. They are leaning forward, tying the laces of a black hiking boot with teal accents. A bicycle is parked on the left side of the frame, with its rear wheel and chain visible. The background is a gravel path with some greenery.

People value
both privacy
and personalized
experiences



Join Group

FACEBOOK



Waterproof Trail Shoes
\$95 >

We can show
personalized ads
while supporting
privacy

FACEBOOK

Measurement
is critical to business
decisions



Lg. Scented Candle
\$32



FACEBOOK



We're making
significant investments
in our measurement

PROVIDING MORE WAYS TO MEASURE

Developing an ecosystem of measurement partners, like Neustar, that allow advertisers to do cross-channel comparison in a privacy-safe way

ALIGNING WITH THE INDUSTRY

Establishing industry-wide consensus with the Cross-Media Measurement initiative

CONTINUING TO DEVELOP NEW TECHNOLOGY

Exploring leading privacy technologies to apply to our existing ad products and partnerships

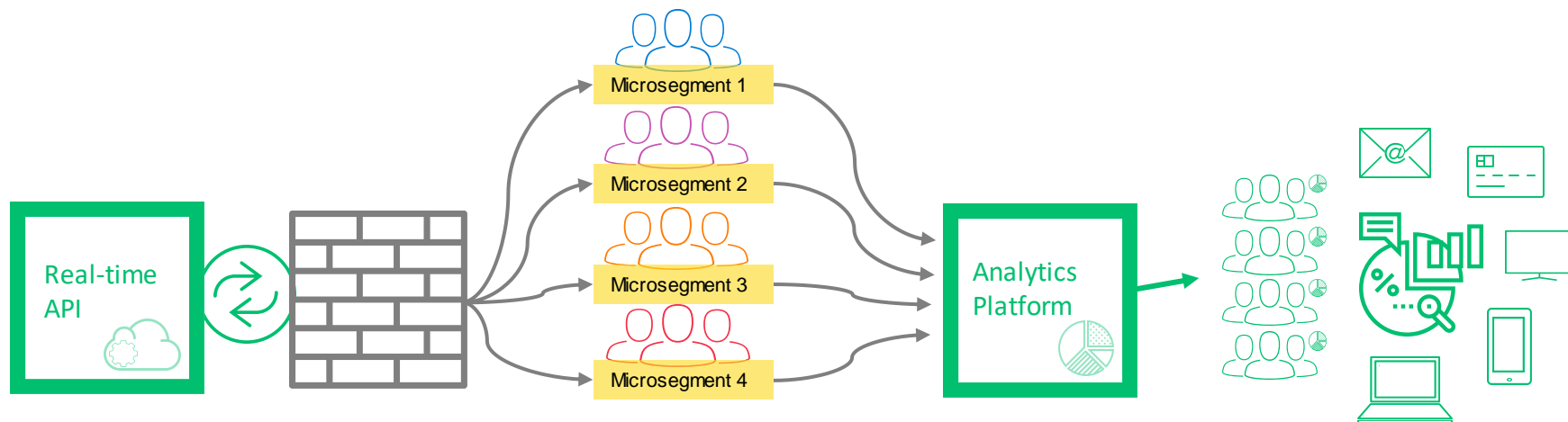
Establishing privacy-friendly platform, publisher, and industry relationships





Differential privacy methods sustain
measurement while respecting
consumer privacy

Data-driven microsegment-based marketing data enables measurement



Always-on **identity sync** between a real-time API and the platform

Platform aggregates users into **microsegments** leveraging on-platform brand interaction activity

Platform delivers **microsegment-based** metrics a analytics and measurement platform to include in sequencing and attribution

Measurement providers differentiate on five capabilities

Commodity

Statistical skills

Engagement approaches

Measurement tool capabilities

Data sources

Differentiation

Short- and long-term measurement

Data strategy

Roadmap for a cookieless world

Consulting versus technology offering

Solution vision

Models go beyond media ROI to support insights-driven business

From measurement to activation

- Synch with search bidders, programmatic platforms
- Product recommendation engines
- Next best action recommendations

Address broader business questions

- Store location
- Staffing levels, tenure, training
- Impact of macro trends

General measures of a “good” model:

Fit:	Reasonable MAPE and/or AUC given granularity of cross sections and data sparsity
Completeness:	All key touchpoints and variables are present in the models
Internal Consistency:	Responses show reasonable patterns across cross sections, touchpoints and time
External Consistency:	Models agree with expert knowledge and other accepted studies
Face Validity:	Model produces results that are reasonable given the business context
Robustness:	Models must behave well over a wide range of inputs, specifications, data

Shift your mindset from “measurement” to insights-driven marketing

- Escape post-campaign reporting blues.
- Measure the “unmeasurable”: upper funnel activity effects on lower funnel effectiveness.
- Build a data-driven approach to planning.
- Forecast results of different budget levels and allocations to pick the optimal plan.
- Change placements, messaging, etc., in-flight to optimize results.
- Adapt approaches as details emerge about cookies, data, privacy



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