

# Facebook rethinks its approach to privacy

## Article

**The news:** Facebook appears to be acknowledging that it **needs to fundamentally transform how its advertising business targets consumers**, per The Verge.

**More on this:** In an exclusive interview with The Verge, Facebook's vice president of ads and business product marketing Graham Mudd said that a "meaningful pivot" was happening around its ads business, particularly in how the ads are targeted to users.

- For one, "hundreds" of Facebook engineers are actively working on how to deliver highly relevant ads to users, **without knowing anything specific about those underlying users.**

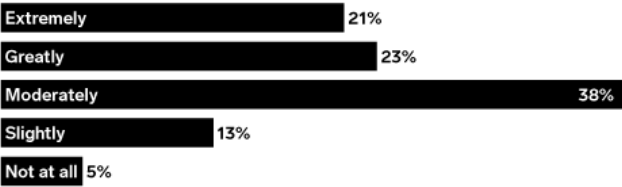
## The problem:

- It's no small feat, considering that **this is a fundamental shift** in how Facebook's ad targeting has worked until now.
- "Access to [targeting] data will become **more limited** over the course of the next couple of years," Mudd told The Verge. "That's just a reflection, I think, of peoples' changing expectations around privacy ... we're embracing and trying to build for that future."
- Mudd added that Facebook believes that proactively investing in this area will allow it to **"help shape that future state of the ads ecosystem."**
- Facebook's acknowledgement that its advertising must change is another sign of how fundamentally digital advertising and targeting is being transformed. It's **being pushed in this direction from both user concerns and other players**, including **Apple**, whose iOS AppTrackingTransparency (ATT) prompts will affect Facebook's revenue growth, the company has admitted.

## The bigger picture:

- "This is a huge shift for the company, which once marketed its ad business as 'people-based marketing,'" said Debra Aho Williamson, eMarketer principal analyst at Insider Intelligence. "The good news is that **Facebook already amassed a massive database of information about its users, which it can still tap into**. But there is a strong potential for it to lose some ground relative to other digital publishers if it doesn't succeed at developing its next generation of advertising products."
- The company is already working on a new solution to share campaign performance too: "Facebook is testing a solution called **Private Lift Measurement** with some partners, which employs 'secure multiparty computation,' which will help advertisers understand how their campaigns are performing while limiting data sharing," said Audrey Schomer, eMarketer senior analyst at Insider Intelligence. "Facebook plans to launch that to all its advertisers next year."
- Facebook certainly has its doubters and detractors. It will be an **enormous undertaking for the company to retool on the fly, while still improving its ad revenue numbers on a quarterly basis**—though if any company has the resources to pull this off, it's Facebook.

**Do US Smartphone Users' Privacy Concerns Influence Their Actual Behavior Online?**  
*% of respondents, Feb 2021*



*Note: ages 13+*  
*Source: AppsFlyer and MMA Global, "Personal Data, Privacy & Smartphones: The Marketer/Consumer Disconnect," March 25, 2021*

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