Facebook's Clear History Tool: What Advertisers Should (and Should Not) Worry About

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Facebook announced recently that it will roll out a new tool for managing off-Facebook activity—more widely known as the "Clear History" tool—in the coming months. The tool will let users manage the data that the platform collects outside of Facebook. The company said that disconnecting this off-Facebook activity make it more difficult for advertisers to use Facebook's business tools to reach customers.

First promised at the 2018 f8 conference, the Clear History tool was conceived most likely in response to last year's Cambridge Analytica revelations. Facebook said it believes the tool will ultimately be a positive experience for users, offering them greater transparency and control over their information.
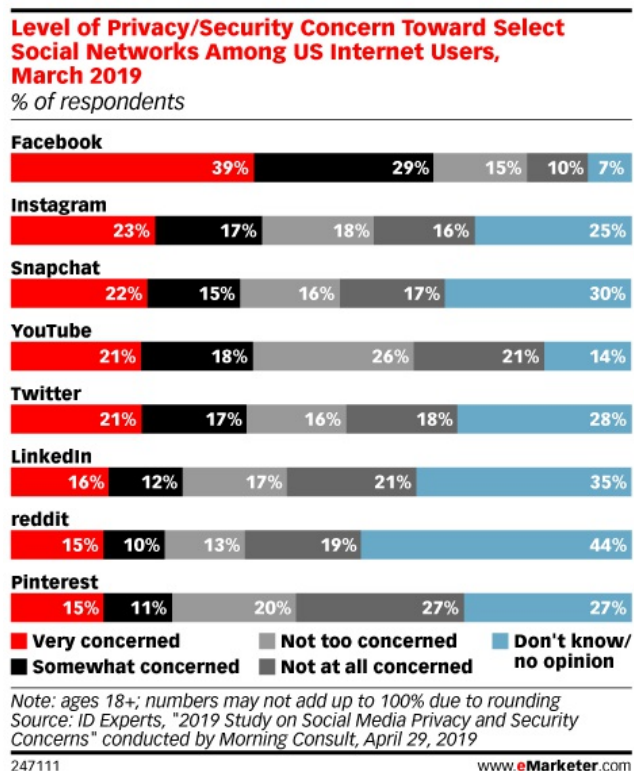
But with scant details available on how the tool will work, its impact on advertisers is hard to gauge. Those reliant on Facebook's business tools may take a hit. For example, Facebook pixel is popular with advertisers, and the ad tool reports to businesses whether or not a user took an action after seeing a Facebook ad. As more actions are taken, Facebook gets better at delivering ads to likely customers.

"Advertisers should pay attention to the types of data that people will be able to remove when the tool comes out, and how that data impacts their advertising decisions," said Debra Aho Williamson, principal analyst at eMarketer.

But, if Clear History is not widely promoted to users, it may not be adopted in significant enough numbers to meaningfully impact ad sales.

"We don't know what this tool will look like, and we don't know how much visibility Facebook is going to give to it, so it's a question of what percentage of people will care once Facebook notifies them of the feature," Williamson said.

In a March 2019 survey conducted by Morning Consult on behalf of ID Experts, an identity protection services firm, 39% of US internet users said they were "very concerned" about privacy and security on Facebook, and 29% said they were "somewhat concerned."

Level of Privacy/Security Concern Toward Select Social Networks Among US Internet Users, March 2019
% of respondents

	Very concerned	Somewhat concerned	Not too concerned	Not at all concerned	Don't know/no opinion
Facebook	39%	29%	15%	10%	7%
Instagram	23%	17%	18%	16%	25%
Snapchat	22%	15%	16%	17%	30%
YouTube	21%	18%	26%	21%	14%
Twitter	21%	17%	16%	18%	28%
LinkedIn	16%	12%	17%	21%	35%
reddit	15%	10%	13%	19%	44%
Pinterest	15%	11%	20%	27%	27%

Note: ages 18+; numbers may not add up to 100% due to rounding
Source: ID Experts, "2019 Study on Social Media Privacy and Security Concerns" conducted by Morning Consult, April 29, 2019
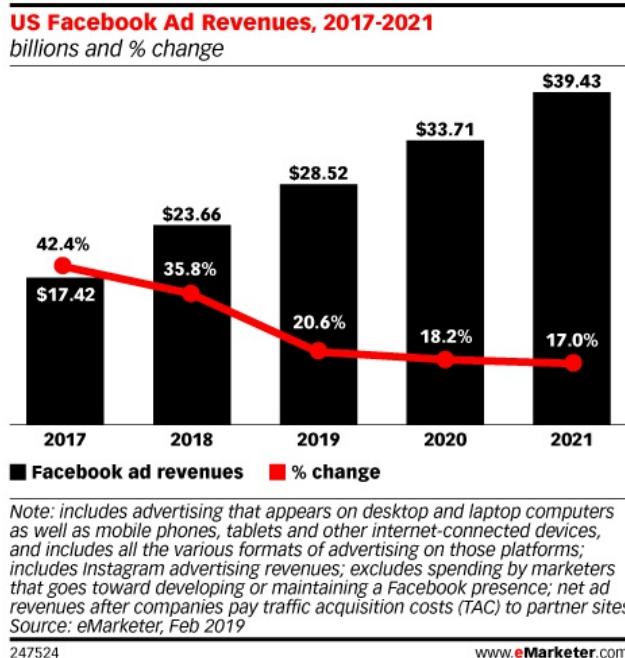247111　　　　　　　　　　　　　　　　www.**eMarketer**.com

"If you look at consumer behavior over the past few years, people might say they want to reduce their use of Facebook over privacy

concerns, but when you look at the data on what actually happened, they don't necessarily follow through on those concerns," Williamson said.

These concerns have not translated to a drop-off in the number of Facebook users. While growth in the number of US Facebook users has slowed, we estimate that US ad revenues and ad revenues per user will continue to grow.
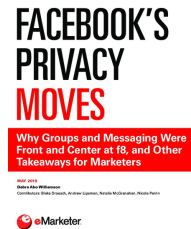
In 2019, Facebook ad revenues are expected to grow to $28.52 billion, up 20.6% from 2018. In 2018, ad revenues per Facebook user was $139.55, which will grow 19.4% to $166.69 this year. We expect that there will be 171.5 million US Facebook users in 2019, with the number growing to 174.1 million in 2020 and 176.4 million in 2021.

US Facebook Ad Revenues, 2017-2021
billions and % change

Year	Facebook ad revenues	% change
2017	$17.42	42.4%
2018	$23.66	35.8%
2019	$28.52	20.6%
2020	$33.71	18.2%
2021	$39.43	17.0%

■ Facebook ad revenues   ■ % change

Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms; includes Instagram advertising revenues; excludes spending by marketers that goes toward developing or maintaining a Facebook presence; net ad revenues after companies pay traffic acquisition costs (TAC) to partner sites
Source: eMarketer, Feb 2019
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For more information about Facebook's 2019 f8 conference, eMarketer PRO subscribers can read the recent report

Report by Debra Aho Williamson May 23, 2019

Facebook's Privacy Moves

FACEBOOK'S PRIVACY MOVES

Why Groups and Messaging Were Front and Center at f8, and Other Takeaways for Marketers

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