

MARKETING COLLOQUIA

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Meta

Monday, October 31, 2022

Where: 741 JMHH

When: 12:00 PM to 1:20 PM

ESTIMATING THE VALUE OF OFFSITE DATA TO ADVERTISERS ON META (WITH ANNA TUCHMAN, BRADLEY T. SHAPIRO, AND ROBERT MOAKLER)

ABSTRACT:

We study the extent to which advertisers benefit from data that are shared across applications. These types of data are viewed as highly valuable for digital advertisers today. Meanwhile, product changes and privacy regulation threaten the ability of advertisers to use such data. We focus on one of the most common ways advertisers use offsite data and run a large-scale study with hundreds of thousands of advertisers on Meta. Within campaigns, we experimentally estimate both the effectiveness of advertising under business as usual, which uses offsite data, as well as how that would change under a loss of offsite data. Using recently developed deconvolution techniques, we flexibly estimate the underlying distribution of treatment effects across our sample. We find a median cost per incremental customer using business as usual targeting techniques of \$43.88 that under the median loss in effectiveness would rise to \$60.19, a 37% increase. Similarly, analyzing purchasing behavior six months after our experiment, ads delivered with offsite data generate substantially more long-term customers per dollar, with a comparable delta in costs. Further, there is evidence that small scale advertisers and those in CPG, Retail, and E-commerce are especially affected. Taken together, our results suggest a substantial benefit of offsite data across a wide range of advertisers, an important input into policy in this space.