



POINT OF VIEW

# Facebook's Privacy Challenges and Their Impact on Pharmaceutical Advertisers

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Facebook CEO Mark Zuckerberg has once again found his company on the receiving end of widespread criticism in light of a privacy scandal that rocked the company—leading to a \$50 billion stock plummet and an exodus of high-profile advertisers from the platform.

## What Happened?

Facebook is involved in a worldwide, high-profile privacy controversy, which is sparking concerns over the future of the platform. Here's what happened:

- Global Science Research created and launched an app, “thisisyourdigitalife”
- Users were paid a small fee to take a psychological quiz in the app. When users opted into the app, Global Science Research was granted access to the user's data and the data of their friends
- Global Science Research then sold this data to Cambridge Analytica to allegedly use to create psychological profiles of users for use in testing and distributing political campaign messaging

## What It Means for Brands

- **Authenticity and transparency** are more important than ever. While the issue centers around access to Facebook data through a third-party app, user trust in Facebook overall is in question, which could lead to a decline in use both in the short term and long term (only time will tell)
- As always, **brands should diversify their digital ecosystems** to ensure drivers to the site are never solely dependent on a singular platform such as Facebook or Twitter

## Advertising Considerations

The short answer to your burning question: No, it's not time to pull away from the platform.

It's true that some brands are pulling their ad dollars in protest of Facebook's ongoing privacy issues, but that doesn't mean it's the right move for all brands. Even a pause in campaigns isn't advised, especially if metrics are still progressing as anticipated.

This slight decrease in advertisers on the platform could prove beneficial for those who choose to stay. Fewer advertisers mean less competition in the newsfeeds, increasing opportunities for brands to be seen by target audiences. With less demand, delivery costs for ads may drop, increasing return on investment for brands.

However, brands should be on high alert of consumer expectations around privacy, transparency, and data collection and pressure test their current advertising and information collection practices to align with heightened user sensitivities.

**What brands should do:** Stay the course. Closely monitor ad campaigns to look for changes in costs, dips in performance, or negativity from users on pages that have comments enabled. As usual, let data drive any decisions that need to be made.



## Pharma Brands and User Data Collection

The privacy issues have brands asking, "Am I unknowingly collecting user data, and is that violating rules?" For pharma clients, the answer is likely no (as long as branded or unbranded apps that can be accessed via a Facebook log-in do not store user's information on proprietary servers). [Apps created after April 20, 2015 were never granted access to data from users' friends](#), following changes implemented by Facebook in response to earlier privacy concerns.

Many pharma brands leverage custom apps on their pages to house community guidelines or Important Safety Information. Because these apps have no opt-in feature for users, nor terms to agree to, users are not providing private data.

## User Trust and Usage

Users are skeptical of brands, and that skepticism has only increased in response to the Cambridge Analytica problem. Instead of pulling ad dollars from Facebook efforts, brands should ensure that transparency and authenticity are common threads throughout all ads (both on and off Facebook).

Pharma is transparent by nature due to working in a heavily regulated field and should have no problems ensuring transparency along the way. A focus on authenticity can be more challenging to achieve. Brand truths should be reflected in every piece of creative distributed to consumers. Maintaining a presence on a platform where users are heavily engaged already is a great first step in being authentic, especially for brands that have adapted their tone and personality to match the social nature of Facebook.

But will there be users left to see your authentic and transparent ads? Younger demographics have been leaving Facebook for some time, but older demographics are growing. We'll probably see a dip in daily active users, but it's doubtful that it will cause a long-term problem. Facebook is so ingrained in our lives and culture, it's hard to see it disappearing.

## The Future of Facebook

Facebook isn't going anywhere. With even CEO Mark Zuckerberg calling for government regulations for social media, those could be coming sooner rather than later. Regulations can quell users' fears and make them stay on the platform.

Even without regulations, we know that people struggle to disconnect from social media, especially Facebook, and that's not going to change. It will be interesting to see how usage plays out, but it's not a stretch to expect things to return to normal when the headlines die down.

Facebook is far from perfect, but its massive reach and hyper-relevant targeting options cannot be matched by any other digital platform. Frankly, it's hard for advertisers to pull away. Changes to targeting capabilities might come down the line—and that's a strong emphasis on might—but for now, nothing has changed.

### BRAND IMPACT:

Rest assured, pharma's strict checks-and-balances systems have almost certainly prevented violations. Still, it's best to err on the side of caution. If your brand uses apps on Facebook, check in with your developers, Facebook reps, and Evoke partners to ensure apps are aligned with Facebook rules.

### BRAND IMPACT:

Keep transparency and authenticity at the forefront of all efforts, especially on social media. Work with Evoke to strategically explore additional social media channels that make sense for brand goals in order to increase and diversify digital ecosystem drivers.

### BRAND IMPACT:

If we've learned one thing since Facebook hit the market, it's that the only constant is change. And, as social media marketers always do, we'll adapt to the changes and make strategic moves based on key business objectives, whatever those moves may be. Watchful waiting and making strategic decisions based on insights is the clear path forward.