



## Facebook: Taking On Fake News and Privacy

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At Further, we attempt to view things from many different perspectives in order to arrive at the best solutions. When considering Facebook, the platform we all know and rely on, it's particularly important to stay up to date, and to try, as best as possible to get inside Mark Zuckerberg's head.

There have been several recent changes to Facebook's rules and procedures, largely as a reaction to privacy concerns which were most clearly brought to light under the Cambridge Analytica revelations. However, we doubt that Facebook's legions of lobbyists are going to accept anything that would materially impact its bottom line for the long-term. It's more than likely that Facebook will emerge in an even more powerful position than before after its compliance with GDPR and other recent regulatory pressures.

Every non-profit should remember what Facebook is really after: **increased advertising revenue**. This is their core need and goal that they will always be working toward.

There are two major changes that have recently occurred on Facebook:

- Political (and issue-based) ad policy changes
- GDPR compliance

Additionally, we have light cautions around the relatively new Facebook Fundraiser functionality which you can read about [here](#).

### **Political Ad Policy Changes**

Facebook's formal policy changes around political ads were implemented to respond to concerns surrounding Russian and other special interests posting Fake News during the 2016 election cycle. Specifically, they are intended to:



- Increase transparency
- Strengthen enforcement
- Support an informed community

*The way these changes were implemented, particularly the process of confirming your identity, was unclear to many. It resulted in several days of darkness while administrators and agencies worked out the logistics of the compliance protocols. However we believe by now that most are reactivated.*

In practice, what these policy changes have meant for our non-profit clients is:

- Non-profits are often considered “issue-based advertisers” by Facebook, which are treated the same as political advertisers
- Longer turnaround and approval times for new ads
- Unexpected ad pausing by Facebook on ads they initially approved as being non-issue but later are subjectively deemed to be issue-ads

Some non-partisan non-profits have even been faced with the choice of not running Facebook ads because the only option to select is “political advertiser”. Legal teams are highly concerned that if the box is checked, even once, their opponents will have ammunition to claim that the organization’s views are politically motivated.

For most however, the cost of not complying with Facebook’s new rule is too great and they have chosen to fall in line. Once the box is checked however, there is no turning back.

We do not expect the physical changes to the ads (allowing viewers to see “Paid for by XXX charity”) will have a negative impact on performance, so by and large, these changes are causing more consternation among legal teams and C-suite executives than fundraising teams themselves.

**Critical Insight:**

Further’s best practice has become to check the box on almost all non-profit ads (even ads that address something as non-political as “hunger” or “poverty” are being considered



issue-ads by Facebook). This ensures that, once approved, you will not have your ads subjectively and unexpectedly paused during a key point of your campaign.

The other frustrating consequence of the new policy is that new ads now typically take close to the full 24-hours for approval. This can be a hindrance when running time-sensitive ads that result from media moments and are therefore unexpected. Advertisers' ability to quickly respond is severely hampered by Facebook's review policy. The only silver-lining to this is that all charities are likely facing the same challenges so no single charity is getting the jump on another.

### **Thinking Creatively:**

In situations that demand rapid response, consider posting your ads without checking the political box in the hope that your content will be approved more quickly. For example, we would hope that a natural disaster would not be deemed political or issue-based by Facebook but we can't be sure of this until it's tested. So, if your ad is in response to something like a school shooting which is likely to be deemed issue-based, try posting without checking the box in the hope that you can get an early edge, and then also set up the same campaigns with the political advertiser box checked to get started on the mandatory 24-hour approval process. If you're lucky, those two strategies may overlap and you can run your initial ads, when those are paused, you will already be live with the political advertiser approved set.

Another very real impact of Facebook's attempts to limit Fake News is that they now de-prioritize publishers with a preference for more organic sharing. What this means in practice is that organic posts on Facebook by non-profits (and others) now receive even less reach than previously. Prior to this change, the commonly quoted reach was 8% for organic posts. Now the estimates we are reading are more like 4%.

### **Critical Insight:**

If you are still relying on organic posts to drive donations and engagement, particularly to prospects, you need a new strategy. Remember, while this is intended to combat Fake News, it has the very real effect of driving more advertisers to paid ads where the reach will be much larger. That also, not surprisingly, results in Facebook growing ad revenues as well as an increase in advertising costs due to more competition. However it's a fact this is



almost impossible to overcome (and 8% previously was nothing to cheer about) so now, more than ever, it's pay to play. This is where a strong partner like Further can help make your audience targeting and advertising spend more productive!

### **GDPR Compliance**

Like many other industries, non-profits are starting to come to terms with GDPR (better late than never). Further is receiving lots of inquiries about what GDPR means for our clients and while our first advice is “talk to your lawyer”, we do have some general thoughts on the rules.

First, determine if the rules are applicable to your organization. Do you have EU-based employees? Does your file have EU email addresses? Do you serve constituents in the EU?

Our general take is that many organizations have nothing to change at this point in time and if you do not have a significant presence in the EU, the likelihood of being prosecuted is quite low. Furthermore, the likelihood of the EU having jurisdiction to impose fines is highly unlikely if you do not have a strong EU presence.

The second concern we are hearing more frequently is: “What if similar regulation occurs in America?” Evaluating the consequences of this outcome would require understanding the specific legislation and the most likely beta-case will be California’s recently passed Data Privacy Law. The good news is that as our team reads the law currently, it does not apply to non-profits directly. However, the indirect consequences on important third party providers could indeed impact your business. To learn more about our thinking on the California Data Privacy Law, [click here](#).

Impact on important 3<sup>rd</sup> party providers brings us back to Facebook and their all-important response to this situation.

In March, Facebook announced it would cut off access for 3<sup>rd</sup> party data for ad targeting. This means data that Facebook was ingesting from companies such as Oracle/Datalogix, Epsilon, Acxiom, and BlueKai will no longer be utilized through Partner Categories.



As of August 14<sup>th</sup> advertisers will no longer be able to launch new campaigns utilizing this data and as of September 30<sup>th</sup>, this data will disappear and will affect campaigns already underway. Data targeting sourced from users themselves or from advertisers themselves will still be available. But if you've grown dependent on targeting users with incomes of \$100K+, for example, that is about to become a lot harder.

### **Think Smart**

While this may at first seem to be a responsible reaction to GDPR regulations and bad publicity from actors like Cambridge Analytica, what might the practical outcome be for Facebook?

We believe it will likely result in advertisers, and non-profits, becoming even more beholden to the models that Facebook provides (blindly to you of course) and thereby increases their power over advertisers to increase spend on their platform.

Other industry experts have similar concerns over the impacts, globally, of GDPR. What was envisioned largely as a rule to curb the power of global data repositories like Facebook and Google may, inadvertently, end up strengthening their position in the data world. While each individual company may be faced with hurdles to overcome and gaining opt-in approvals from even existing customers—exercises which will in some cases dramatically reduce revenues, customer bases, and future marketing efforts—the largest players with money to burn can leverage their position as “must-have” services by customers (think Google for search) and will therefore have a much easier time regaining opt-ins. They can then use this virtual oligopoly to more thoroughly control advertisers' access to new audiences and thereby their advertising spend.

### **Our Advice**

Facebook is one of only a few 800-lb gorillas of digital advertising and it's hard to avoid the shadow they cast. You really don't have any option but to engage with them—but our advice is to do so warily. Don't spend with Facebook to the exclusion of testing other platforms. Remember, these other platforms are seeking advertising revenue and are making their own plays, and concessions, to win market-share. Stay alert to new opportunities and try to balance the revenue gained from tried and true sources with new initiatives that could one day be your go-to choice.