MARKETING

Ad tracking changes from Apple, Google put publishers, brands in tight spot

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Under new anti ad-tracking rules from Apple, publishers such as GQ-owner Cond Nast will have to rethink their advertising models. Image credit: GQ

By DANNY PARISI

Advertising tracking and retargeting are powerful tools for luxury marketers, but recent changes to Apple and Google's ad restrictions are presenting new challenges to brands looking to follow through on their advertising data.

Both Apple's Safari and Google Chrome, the two biggest Web browsers with the largest share of mobile traffic, have recently introduced anti-tracking measures that will hamper brands ability to target customers. But rather than see this as a loss, brands and retailers should take this opportunity to improve their ad tech to work within the new parameters.

"These ad-averse browser moves are forcing advertisers and their agencies to rethink and improve their digital marketing approaches," said Jim Gentleman, senior vice president of account management and strategy at SK+G, Las Vegas.

"While painful for some marketers, this is ultimately a positive development, because the digital user experience to date has been compromised by an overly invasive and sloppy ad environment that has left many websites feeling like obstacle courses that leave consumers frustrated and dissatisfied," he said.

Marketing changes

Earlier this year, Apple revealed that Safari would limit the degree to which advertisers can track their ads to specific customers, making it more difficult for brands to target specific categories of customers and make attribution much more difficult in general.

Additionally, Google's Chrome browser is getting an "ad-filtered" version sometime next year.

Together, these two browsers make up a significant portion of all Web browsing on the Internet. As they jointly crack down on what advertisers can do with customer data, publishers will be forced to transform how they interact with customers.

"The restrictive ad-tracking and ad-blocking initiatives from the likes of Google and Apple are forcing web publishers to move more to subscriber-based/paywall business models, away from the ad-dependent approaches that have dominated to date," Mr. Gentleman said. "They are realizing that an increasing number of consumers are willing to pay for a better user experience to avoid being bombarded with irrelevant, lazy ads.

"These changes will force all of us on the advertising end to be better at what we do."

While publishers such as Cond Nast and Hearst will face a significant amount of pressure from these changes as they reconfigure their business models, brands have a different set of problems as they will need to come up with alternative ways to get in direct contact with customers.

This could take the form of social media interaction or offering their own digital products such as apps that will get customers to engage directly with brands.

"The best long-term play for brands and advertisers is to invest in channels that allow them to directly communicate with consumers such as email and app programs," said Sean Cullen, executive vice president of product technology at Fluent, New York. "Ultimately, it's good business not to rely too heavily on any one of these platforms."

Unfortunately, luxury brands are leaving potential conversions on the table by not embracing email marketing campaigns, which can see significant returns despite its outdated perception.

While there are many trending forms of marketing to catch the eye of marketers today, email campaigns are still an effective method to build relationships and track results. According to an email marketing report by Fashionbi, luxury brands are largely absent from this type of branded communication, which is likely due to their reliance on heritage as a marketing device (see story).

Adapting to change

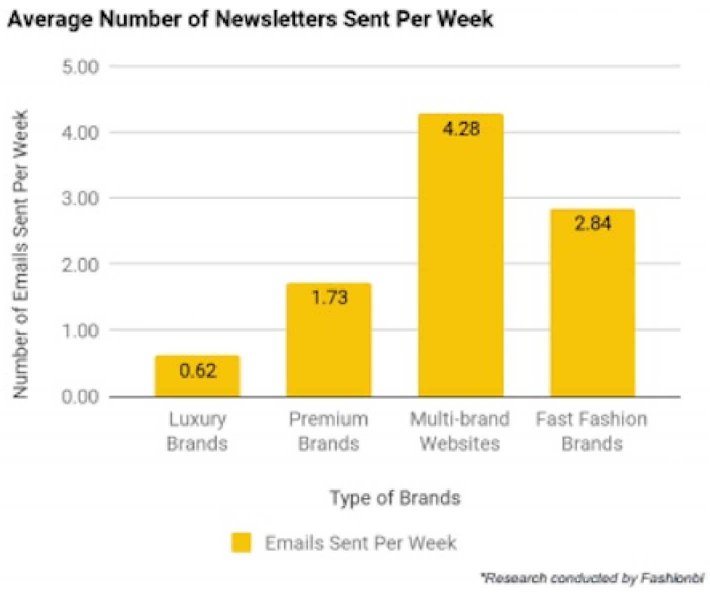
Publishers in the luxury world have had a rough time recently, as multiple shake ups from prominent platforms have changed their relationship with advertising.

In a move that is sure to shock and disappoint media groups who have invested heavily into Facebook Live, the social network will no longer pay publishers to create live video content on the platform.

Facebook had been bolstering its live video feature by paying millions of dollars to publishers to create Facebook Live video content, causing media companies to build entire teams around creating real-time video. As first reported by Digiday, publishers are saying that Facebook is not planning on renewing any contracts for such a deal in the future and that publishers will no longer receive money from Facebook to create live video on the platform (see story).

One way around these advertising blocks from big platforms for brands is to lean into influencers, whose sponsored content is just as easily accessible on social media as any other content.

For example, British leather goods supplier Mulberry teamed with British GQ to showcase the way its bags can be an integral part of the everyday lives of creative minds.



Luxury brands are behind on using email to interact with customers. Image credit: Fashionbi

In a sponsored post on the Cond Nast-owned men's magazine, three creative from London talked about why they love Mulberry bags and how they work those bags into their busy lives. By partnering with GQ, Mulberry was targeting the modern male customer by positioning its bags as part of the masculine ideal (see story).

While brands and retailers should learn to work within the changes coming from Apple and Google, experts warn that the big platforms could face backlash and skepticism from the brands who are affected by the changes.

"Google's changes are still a couple weeks away, but Apple's update is preventing advertisers from executing retargeting programs on iOS," Fluent's Mr. Cullen said. "However, advertisers will most likely figure out how to work within the new confines as innovative technology companies rise to support their businesses.

"While their intentions are good, I believe that changes like these will eventually attract more scrutiny," he said. "It won't be a surprise if certain entities view Google, the largest advertising company in the world, as biased when limiting advertising in its browser."