Discussion:
Estimating the Value of Offsite Data to Advertisers: Evidence from Meta

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Context

Two major themes:

1. Large complex privacy regulations
   - GDPR, CPPA, Digital Markets Act, etc.
2. Innovation towards more privacy-centric advertising
   - Privacy Sandbox, ATT Framework, etc.
   - "Death of the cookie"

What is going on in ad-tech today

Two major themes:

1. Large complex privacy regulations
   - GDPR, CPPA, Digital Markets Act, etc.
2. Innovation towards more privacy-centric advertising
   - Privacy Sandbox, ATT Framework, etc.
   - "Death of the cookie"

$\implies$ **Push towards limiting the use of 3rd party data**

But of course there are some trade-offs here

- **Benefits to privacy**: limits tracking across platforms
- **Costs to measurement**:
  - Incrementality: do the ads work?
  - Targeting: who do the ads work for?
 - $\rightarrow$ competition as well!

This paper

How much value does 3rd party data deliver to advertisers?

- We really care about incremental value (noisy)

- Lots of heterogeneity (scale)

- Non-experimental methods do not generally work

How do they do it
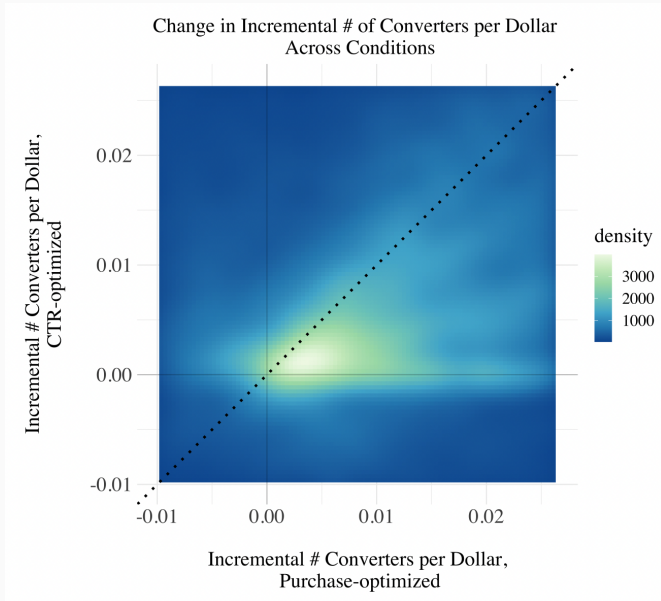
Partner with Facebook to run a large experiment:

- **Scale**: over 70,000 advertisers who use 3rd party data
- **Experiment**: difference-in-differences intuition
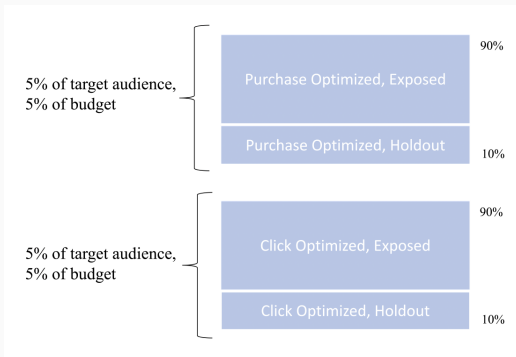
- **Noise**: meta-analysis to recover distribution

Change in Incremental # of Converters per Dollar Across Conditions

What is so great about this paper

- Scale makes it generalizable!
    - Ad-effectiveness measures across 70,000 firms is huge
- Facebook is interesting!
    - Accounts for 10% of digital ads and 20% of mobile ads
- Experiment is simple, intuitive, and careful
    - Separating out incrementality and measurement is novel

Suggestions

Lean more on the model free evidence!

The meta-analysis is nice but less transparent

- Fix it: Out of sample / cross-validation

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But really, the model free evidence tells the full story

- Lean into this by showing me more heterogeneity
- I really want / need to know more about these firms

Interpreting small vs. large results

- Would rather see raw distributions
- I want to be a little cautious about interpretation...

	10th	25th	50th	75th	90th	Mean
Small Scale Advertisers						
# Incremental Converters per $1,000	24.8	43.3	80.8	201.8	294.8	168.8
Cost per Incremental Converter	$40.34	$23.10	$12.38	$4.96	$3.39	$5.92
# Fewer Incremental Converters per $1,000	-51.2	-39.2	-25.2	-12.2	-0.2	-26.6
Large Scale Advertisers						
# Incremental Converters per $1,000	3.1	7.6	14.1	23.1	68.6	38.6
Cost per Incremental Converter	$325.54	$132.07	$71.06	$43.34	$14.48	$25.94
# Fewer Incremental Converters per $1,000	-9.7	-7.7	-4.7	-2.2	0.3	-4.7

Interpreting long term effects

Long run attribution is really hard...

1. Pretty impressive and important results!
2. **But** I want more robustness & exploration
    - Durable versus non-durable goods?
    - What types of firms are driving this?

Provides scale & generalizability to estimate an important policy
relevant quantity

Thank you!