



THE ADVERTISING IMPACT OF iOS 14 AND ABOVE UPDATES

You may have read about the Apple iOS 14 and above updates that provide iPhone users with the option to block most tracking and analytics from third-party apps. Apple has reportedly taken the stance that digital privacy should be considered a user right and as a result has announced a host of privacy updates across Apple's entire product lineup.

In this post, we will cover some of the main issues advertisers will need to know about the iOS 14 and above updates and the anticipated ramifications across the industry.

IDFA AT THE INFLECTION POINT OF PRIVACY & ADVERTISING

What is IDFA?

IDFA (Identifier for Advertisers) is a unique identifier for mobile devices and is used to target and measure the effectiveness of advertising on a user level across mobile devices.

Why is Apple making updates to IDFA?

During their annual Developers Conference, Apple revealed new features of iOS 14 and above that will include large changes to privacy management that have the potential to greatly impact how mobile is leveraged targeting, optimization, and performance reporting. Apple has revealed that it will provide users with the choice to block the sharing of the unique identifier at the App level. Users previously had to opt-out, but now when a user installs or updates the new iOS, a prompt will appear alerting the user to opt-in or opt-out of the sharing of this information on an app-by-app basis. In addition, iOS 14 and above users are slated to have available an app privacy dashboard to get better visibility over the permissions their apps have access to.

At the time of this writing, about 70% of iOS users share their IDFA with app publishers, after this change it's estimated that this number will drop to 10% to 15%.

The updates to Apple's IDFA are not unexpected, as Apple has stated publicly on various occasions that privacy should be considered a user right. Periodically, Apple has taken steps across its product lineup to provide users with the ability to opt-out of most types of targeting or tracking. For example, Limited Ad Tracking (LAT) has been a feature buried deep within iOS devices for a number of years. This new privacy prompt tracks with similar privacy initiatives Apple put in place on its Safari browser that restricts third party cookies and limits the use of first-party cookies.

HOW WILL THE IDFA UPDATE IMPACT ADVERTISER CAMPAIGNS?

Most platforms including Google, Meta (Facebook) DSPs, etc. are in the process of racing to adhere to and adapt to this new landscape. Advertisers are impacted in two general ways:



AD REPORTING: Advertisers should expect performance data to come back as less granular than what they are currently accustomed to. In other words, rather than getting back conversion reporting broken out by demographic segments, expect to see conversions rolled up into a broader aggregate (i.e. February generated 100 conversions vs February generated 25 conversions for demos 18-24 years of age, 50 conversions for 25-54 year olds and 25 conversions for 55+). In addition, attribution windows will expect to get narrowed from 28-day to 7-day windows (Meta has already begun to narrow its attribution windows).

AD TARGETING: Device-level retargeting is projected to no longer work or become limited for users that have opted out of sharing their IDFA. Platforms like Google and Meta have other deterministic variables they can use to identify devices, such as email & phone number, but some programmatic platforms that don't have such deterministic identifying information are likely to see a reduction in targetable audiences.

HOW WILL THE APPLE UPDATE IMPACT USERS?

iPhone and iPad users who have opted out of ad tracking will still see ads—they just won't be as personalized or relevant to them as they currently are.

WHAT ARE SOME STEPS BUSINESSES AND ADVERTISERS CAN DO RIGHT NOW?

- If you currently run Meta ads campaigns, be sure to verify your domain with the platform as soon as possible. Advertisers that haven't completed this step by the time Apple formally executes the update will see their campaigns paused.
- If you promote app install campaigns and use the Meta SDK, you will need to update to version 8.1 or above. In addition, if you're using any app-based business tools (FB SDK, App Events API, MMP SDKs, etc.) you will also need to prepare to use the "advertiser tracking enabled" flag to instruct the platform to throttle data on a per-event basis.
- As an additional task for all Meta campaigns (web & app), you will eventually need to develop a priority hierarchy of your 8 most important conversion events (i.e. purchase, add to cart, newsletter signup, level complete, etc.). Meta previously allowed near-unlimited conversion events, but as part of its adaptation to the iOS 14 update, there will be a limit of 8 conversion events per domain. These conversion events will also need to be shared across business units, agencies, etc. where applicable.
- Perform a "tech stack" evaluation to ensure consistency across connected reporting and attribution platforms.
- Focus on creating a first-party data strategy.
- Develop a strategy for mobile engagement after the first install by leveraging outreach channels like email, in-app messaging, text, and chatbots.

It goes without saying that digital marketing is a space that's constantly in flux, and this new update from Apple only reinforces the notion. Official policies and mitigation strategies are still being worked out by the various industry players and we can keep you up-to-date with the latest development. We're here to help, should you need assistance with your SEM or PPC campaigns: Connect@ArkMarketing.com.