RESTRICTING (NOT ELIMINATING) THE IDFA

What is an IDFA?
The Identifier for Advertisers (IDFA) is a unique identifier assigned by Apple to a user’s device. Think about the IDFA as something like a cookie that is tied to devices rather than browsers. The IDFA is used in non-browser apps. Google has a similar device identifier for Android (AAID)

When and What is Happening: Moving from Opt-Out to Opt-In.
In early 2021, starting with iOS 14, Apple will require apps to specifically request users to opt-in to ad tracking. iOS 14 does allow apps to present their value proposition in the highlighted section or the option to add a customized soft ask prior to this screen:

Before this new change, each app had access to the IDFA unless a user specifically opted out via their device settings.
Additionally, iOS 14 introduces a new setting that allows users to share approximate location instead of precise location.

**Why is this happening?**

Consumer privacy and consumer control. Apple wants to enable consumers to better understand and control their mobile footprint. Privacy has become, more and more, a point of differentiation between Apple and Android devices and when you consider the numbers below, I think this change is as much customer driven as altruism on the part of Apple.

Per Singular, **30%** of iOS users chose to opt-out of tracking in 2020 and this is up **216%** since 2016. This trend shows that there is significant consumer demand to block tracking and ad personalization at least on Apple devices. The same Singular study found that tracking opt-outs on Android have **fallen** since 2016 and were around **3%** in 2020. Although Google did follow Apple and Mozilla on eliminating browser cookies there has been no indication that they will follow suit with their AAID/GAID, and it does not appear that their consumers would want them to.
What will the opt-in rate be?

This is the multi-billion-dollar question that does not have a clear answer. Some folks are predicting that the opt-in rate could be as low as 1% or as high as 50%. Unfortunately, we will have to wait and see as iOS 14 adoption hits critical mass. What we do know, according to the Wall Street Journal, is that after Apple began asking consumers (starting with iOS 13) to verify whether apps really needed their location data, 70% of this app-based data disappeared.

What Key Mobile Media Functions are Impacted?

Here are some of the things that will be gone or substantially impacted for those Apple users who opt-out of tracking and precise location:

1. Frequency Capping
2. Interest and Demographic Targeting
3. Geo-Fencing/Past Location Targeting
4. Re-targeting
5. Ad Campaign Measurement/Attribution

Conclusion

Without IDFAs’ advertisers are less able to connect a user from one app to that same user’s actions in another app or their actions on another device. Ad networks and data providers who rely heavily on IDFA to build audiences, track unique users, and manage impression frequency and retargeting will be impacted the most (i.e., Facebook Audience Network).

In addition, the introduction of “approximate location” will reduce the accuracy of in-app ad inventory where there is not a compelling reason to share precise location (i.e., flashlight apps). Accurate location at scale will become more scarce, more valuable, and likely more expensive. How scarce and how expensive remain to be seen.

How will these changes impact Apex/inMarket?

Our partner, InMarket, is a real-time marketing company focused on the moment of truth garnered from their 1st party SDK. Their proprietary real-time products like InHome and InStore Moments do not rely on IDFA to connect with consumers as they are in the purchase process and are not affected by these changes. In fact, these changes will place a greater emphasis on real-time advertising efforts like the Moments solution, while reducing the ability to retarget or reach consumers at scale using precise location data across programmatic marketplaces or through leading data stores.

As a result, new audiences built off non-precise location signals will likely be available, and we may see the increased importance of apps that offer loyalty rewards or incentives in exchange for ad tracking (IDFA) and precise location. These apps will have a measurable advantage in their ability to create audiences leveraging precise location and provide accurate attribution in terms of a “visit” at scale.
These changes by Apple strengthen the power of the publisher and consumer overall, placing the burden on app publishers to communicate the value of their app to earn the trust of the user and the right for location and ad tracking. Apex and inMarket have always placed a premium on transparency and this value proposition. For inMarket’s app partners and their users, the value proposition offered in exchange for allowing precise location across the InMarket network is high and ranges from app functionality and enhanced or special content to savings and rewards.

Learn more about the changes to user privacy and mobile data use. Get in touch today.

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