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Just when you thought you were getting to grips with the changes Google is making to third-party cookies from January next year, Apple steps in and disrupts digital identity too, with changes that look likely to kick-in far sooner.

What is happening and why?

Apple has announced significant and important changes to the way identity and permissions are managed on its platform. Hogging the headlines is the app level opt-in to identity tracking. Users will be presented with an Apple-controlled pop-up the first time they use each of their apps: 'This app would like permission to track you across apps and websites owned by other companies' is the likely wording. When the user denies this request, it removes a great deal of functionality around the IDFA (identifier for advertisers), the identifier used within the Apple app ecosystem. The IDFA is used extensively in advertising, often as the backbone of targeting, tracking and measurement.

No one knows how many people will opt out, but the view is that it will be at least 50%, if not a lot higher. Certainly enough to break down the ecosystem built around IDFAs.

Beyond this opt-out, there will be further significant changes around privacy and data. For example, iOS devices will no longer be able to use wifi spots to return location data, considerably reducing the fidelity of location tracking.

Uncertainty is the best adjective to describe these changes. It's not clear exactly what changes will take place, and it's not clear what the various impacts will be. We aren't even sure when they'll happen (the original date was in 2020 but was pushed back).

What is the impact for clients?

This will have an impact on all digital advertisers. **Wavemaker** and **GroupM** are working closely with all the large platforms; we have issued detailed guidance to our teams so they can implement technical changes to mitigate some of the effects.

Facebook has been particularly vocal in calling out Apple on these changes, while at the same time issuing guidance for agencies and advertisers. But there are many more platforms that are still working through the impacts (plus differing and even opposing views on the actions needed), and advice will evolve and change across 2021. Campaigns running on iOS devices will likely perform less well (less targetable inventory driving up CPMs) and measure even worse (failure to attribute all the conversions back to ad exposure).

One thing is clear. Despite mitigation, we will no longer be able to target, track, measure and optimise in the same ways. It's unlikely that there will be complete work-arounds and some functionality will be lost. In short, 2021 is set to be a year of continuous adjustment to a 'new age' of digital advertising.

What's the bigger picture?

Beyond the immediate impacts, it's worth a critical look at the bigger picture here. A key force at play is the drive for privacy and consumer control of their data. Regulation is starting to bite and is one of the main reasons behind this and other changes. Interestingly, this regulation is also reinforcing the market dominance that the big players such as Google, **Amazon**, Facebook and Apple have. Ironically, this lack of competition is also something that governments in many countries are trying to address through regulation.

Also of note is the diametrically-opposed approaches Google and Apple have taken to improve privacy for their customers. Google has worked throughout 2020 with the industry (via the W3C) on the changes it plans to make in January 2022. Apple has acted unilaterally and caught the industry off guard. It's a big muscle flex from a company that has effectively no revenue from advertising, to the detriment of those for whom advertising is a significant income stream, and reshuffles the competitive landscape.

Business hates uncertainty, so we are working hard to educate our teams and our clients on the issues and implications, be as prepared as possible – and be ready to adapt quickly as the changes land.



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