

Part 1: Apple upsets the advertising cart with iOS 14 changes

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Steve Jobs famously addressed a tech gathering in 2010, succinctly describing his views on privacy saying: "Privacy means people know what they're signing up for, in plain English and repeatedly." Mark Zuckerberg was in the audience at the time.



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Despite the posturing, all the big players are implementing changes under the guise of privacy protection, each with their own challenges for advertisers and the greater digital marketing ecosystem.

In a three-part series, tech and strategy experts at global digital marketing specialist, Incubeta, look at The Future of Measurement and how marketing leaders should prepare for the coming changes.

Here's a look at the iOS 14 changes and how they will impact advertisers and agencies.

Increased privacy - great for consumers, not so much for advertisers

More than any other recent regulatory requirement, the European Union's General Data Protection Regulation (GDPR) really kicked privacy up a gear. Strict requirements governing how personal data is saved, stored and used means companies have to place the rights of the consumer at the heart of how they do business.

Apple has been at the forefront of protecting their user's privacy for some time now. A key focus has been protecting their Safari users and it has released various versions of its tool, Intelligent Tracking Protection (ITP). In the first iteration of ITP in 2019, the lifespan of first party cookies was shifted to seven days. Just a few months later they had slashed that down to just one day and had secured any loopholes intrepid advertisers might have found to circumvent the new rules. These restrictions impacted digital analytics, marketing attribution and customer experience.



Jade Arenstein, Head of Data Strategy and Marketing

Not satisfied with the privacy measure on its browser, Apple's latest operating system update, iOS 14 has taken additional steps to ensure Apple users are wholly in control over who can see what they are doing online.

With the new update, users will first be shown exactly what is being tracked in each app they use and will then be given the choice to block the Identity for Advertisers (IDFA) identifier at an app level - IDFAs are unique identifiers for mobile devices which are used to target and measure advertising across mobile devices, at a user level.

This new move will require users to expressly opt in to have their information tracked for every app they use. This will impact both first and third party cookies.



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Facebook, whose entire business model depends on millions of advertisers paying to track and measure users' interactions with brands, reacted swiftly and with a surprising lack of deference, saying: "Ultimately, despite our best efforts, Apple's updates may render Audience Network so ineffective on iOS 14 that it may not make sense to offer it on iOS 14"

Despite the ensuing war of words between the two tech juggernauts, Apple has stuck to its guns.

What does this mean?

The decision by Apple has some significant implications for advertisers, but especially those on Facebook.

The move from Apple essentially blocks the collection of first party cookies of users who have opted out which will significantly limit the amount of data advertisers will be able to collect on users. First party cookies are used to remarket to users based on their activities on your app or website as well as track sales, goals and revenue.



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Third party cookies, meanwhile, are a key part of programmatic efforts as they allow agencies access to users' behaviour based on browsing patterns and interest on other websites. They are the foundation of key targeting methods such as "In-Market" and "Affinity" audiences, both of which are large drivers of ad relevance.

It's also worth noting that, for Facebook, there will be a limited ability to measure performance of iOS 14 ad campaigns as metrics at the ad set and ad level will be estimated.

How should we respond?

Any business running an app or those who run in-app advertising will be affected by this. The missing conversion data as a result of these changes will require modelling and other measures to ensure campaign efficacy. Working closely with your agency during the next few months is definitely recommended. The changes brought about by the new iOS requirements, especially when paired with the cookieless future (to be discussed in-depth in our next piece) will place a real burden on companies hoping to stay on top of the future of measurement.

As an agency we have committed to staying flexible over the coming years. Apple showed us with their rapid changes to ITP back in 2019, that the large tech companies are themselves fluid and could well shift their privacy roadmaps without much notice. In fact, one of the biggest challenges is that not even the large tech companies are 100% certain of the long-term effects of their privacy efforts.

For now (the next 18 months or so), we can still rely on both first and third party data and this gives us time to prepare for what looks to be a mercurial future.



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