IDFA Armageddon

Part 3

Introduction

We are in the End Game Now!

The wait is over — Tim Cook, CEO of Apple, stated the ATT prompt will be mandatory with the next release of iOS14 and thus remove the IDFA in March or "early spring". This morning 2/2, we heard from multiple sources that Apple's new Beta candidate is out, and ATT is off by default…so, it is really happening! The goal of this article is to share highlights from my conversations with industry leaders and make some suggestions to help you prepare to navigate the POST-IDFA world and future-proof your mobile app ad accounts. While this is a massive industry change, full of uncertainty, the good news is that we are all in the boat together.

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Section 1
Impact of Losing IDFA

Over the last seven months, I have spoken to many CEOs, user acquisition, and growth leaders across the mobile app ecosystem. I gathered their perspectives on the impact of losing IDFA on their business and the mobile app/mobile web industries. Their opinions were highly varied. And what is clear, is that no one knows for sure what will happen to their business with the IDFA removed. What is universally accepted is that the financial impact will not be isolated to a titan battle between Facebook and Apple. But it will cause uncertainty and financial stress across the mobile app and mobile web industries during a pandemic and at a time of record unemployment.

Account Restrictions of Apple's SKAN

The account restrictions of Apple's SKAN will cause a significant reduction in mobile app and mobile web company's ability to profitably advertise – with certainty. However, it appears not all market segments or companies will be impacted the same. For example, companies running an eCommerce mobile app using a single agency of record will be less impacted than a game and mobile app advertiser that runs an internal UA team with one or more agencies. SKAN's negative impact will be driven by both a loss of deterministic measurement and the need to limit the ad account structure to 1 account per app with 9 campaigns and 5 ad sets per campaign.

The requirement of a single account restriction will force companies to decide to either keep the iOS 14 account internal or to allow a partner/agency to drive that one account. Obviously, no changes to Android are currently forecast.

Last week, Facebook and Google rolled out recommendations on how to prepare for ATT/IDFA loss. I have summarized my thoughts and recommendations for how to survive and thrive through these highly uncertain times. Also, I include how to best leverage the expertise of agencies, which will have a broad view into the rapidly evolving impact of IDFA's rollout to mitigate risk. Please start your review by reading Apple's SKAdNetwork article.
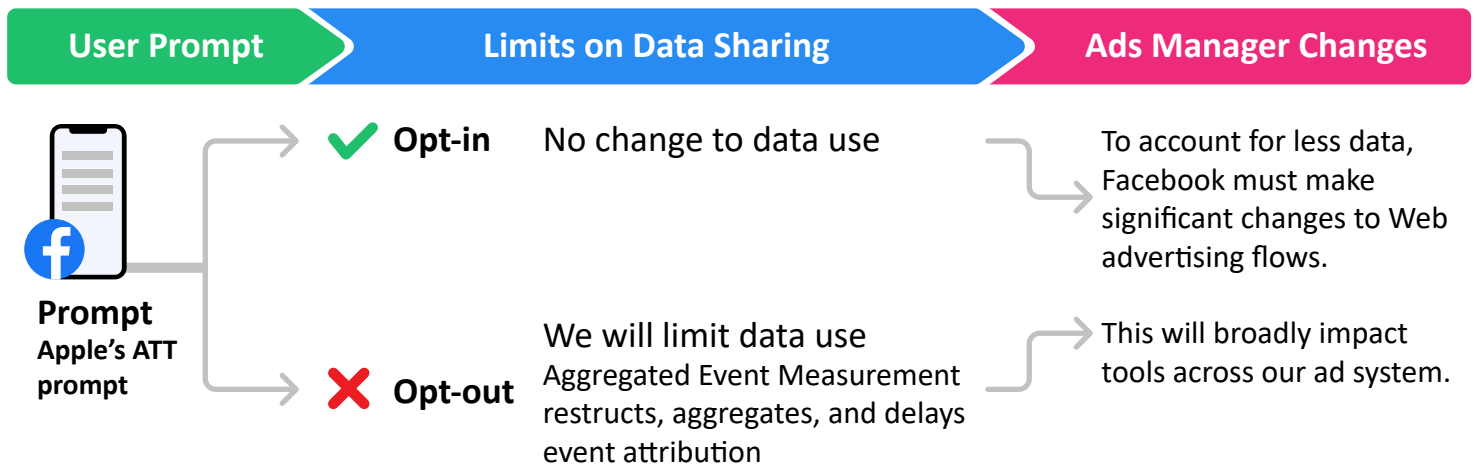
Implementation of iOS14 and ATT

The implementation of iOS14 and ATT will cause fluctuations in CMPs, reporting efficiency, audience, deterministic LTV models, and traffic quality. But we are uncertain how quickly things will change. Facebook's testing has revealed more than a 50% drop in Audience Network revenue which may impact apps that make money via ads. Will CPMs drop as impacted companies and segments pull out of the market? We believe spending should slow for those more impacted. These companies and segments include remarketing, hyper-casual/IAA-monetized apps, and whale hunters (mid-core/hard-core/social casino). But will other companies step in to keep CPMs high (branding, CPG, etc.)? It is highly unlikely that the bottom will drop out of any platform, Facebook, TikTok, Snap, or SDK Networks (Unity, Applovin, Vungle, IronSource). However, it is more likely that erosion will occur over 2-4 months as the efficiency of lookalike audiences drop and deterministic LTV models get replaced with less efficient probabilistic solutions.
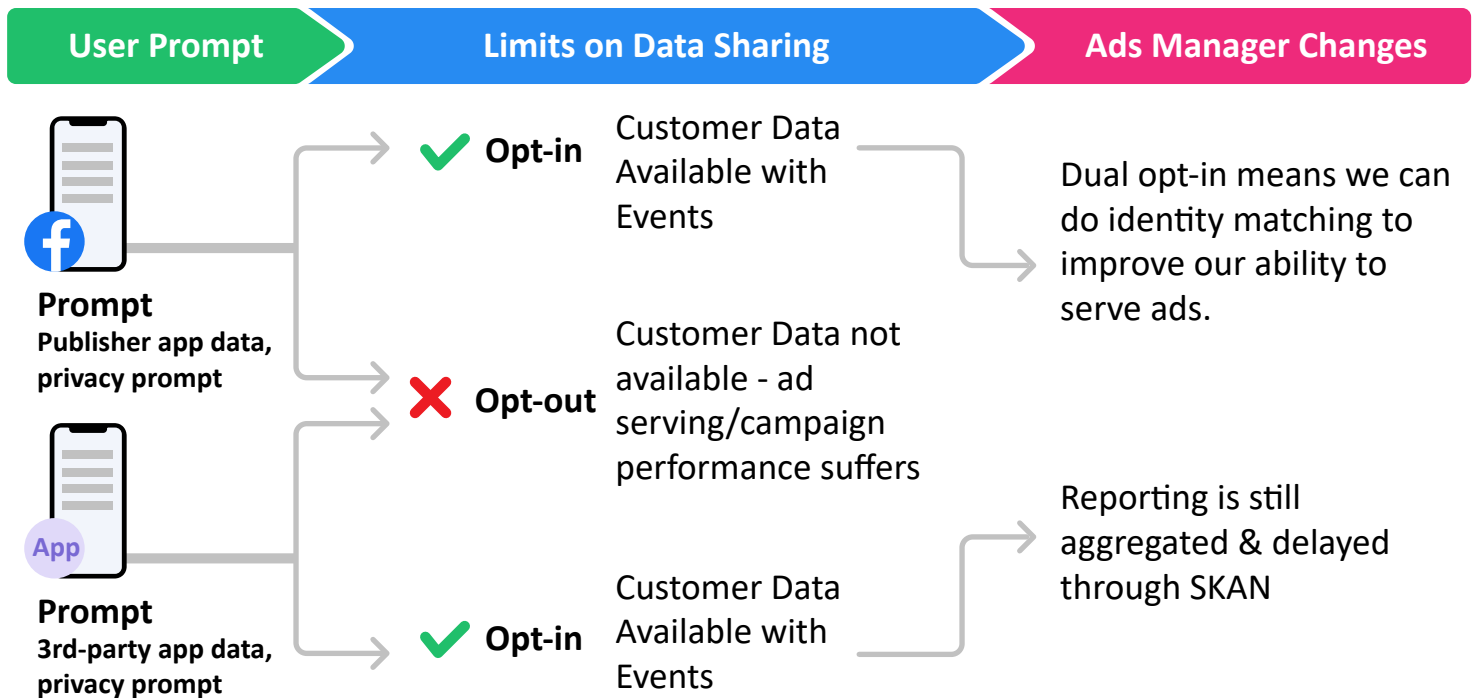
How to Prepare

Please review this Facebook post on Actions to Ads for Ads Ecosystem Changes.

For advertisers who optimize, target, and/or measure using WEB events here is how Apple's user prompt impacts information sharing:

User Prompt	Limits on Data Sharing	Ads Manager Changes
Prompt Apple's ATT prompt	✓ **Opt-in** No change to data use	To account for less data, Facebook must make significant changes to Web advertising flows.
	✗ **Opt-out** We will limit data use Aggregated Event Measurement restructs, aggregates, and delays event attribution	This will broadly impact tools across our ad system.

For advertisers who optimize, target, and/or measure using APP events here is how Apple's user prompt impacts information sharing:

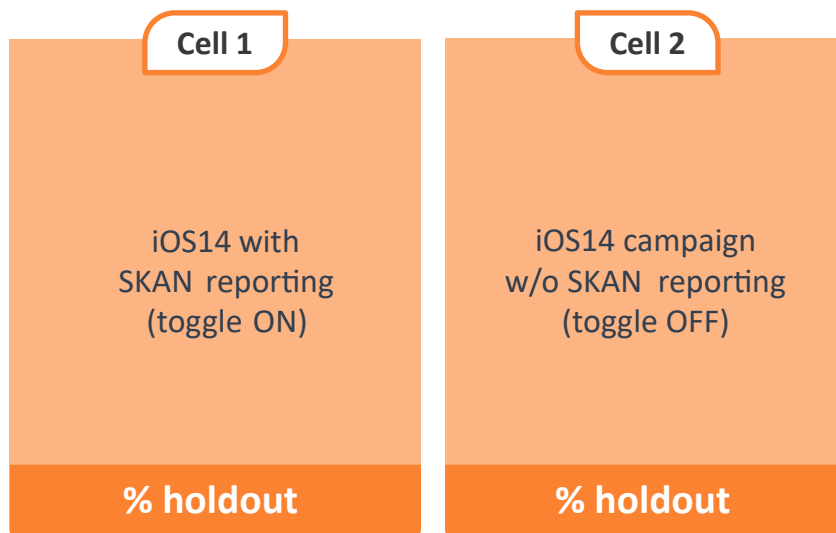| User Prompt	Limits on Data Sharing	Ads Manager Changes
Prompt Publisher app data, privacy prompt	✓ **Opt-in** Customer Data Available with Events	Dual opt-in means we can do identity matching to improve our ability to serve ads.
	✗ **Opt-out** Customer Data not available - ad serving/campaign performance suffers	
Prompt 3rd-party app data, privacy prompt	✓ **Opt-in** Customer Data Available with Events	Reporting is still aggregated & delayed through SKAN

We encourage all advertisers to start SKAN testing as soon as possible

> **Hypothesis:** SKAN reporting will result in Lower reported conversions. Lift, however, should remain the same as **optimization models have not been impacted**

- **Campaign:** 1 BAU campaign per cell (noAAA)

- **Optimization:** MAI/AEO (pick one, same across both campaigns)

- **Targeting:** same across both campaigns

- **Budget:** MSP calculated, same across both campaigns

- **Creatives:** same across both campaigns

- **Placement:** automatic placement

- **Flight time:** 14 days

- **Key metrics:** Lift metrics vs differences in reported ROAS, CPI, CPP, Purchases, Installs from AdsManagert

Lift /AB test with 2 cells

Cell 1	Cell 2
iOS14 with SKAN reporting (toggle ON)	iOS14 campaign w/o SKAN reporting (toggle OFF)
% holdout	**% holdout**

Why should we be testing SKAN?

1 | **Technical readiness**

- Understand the new SKAN campaign set up flow and reporting setup

- Ensure configuration of conversion schema work as expected

2 | **Impact of new SKAN attribution**

- Understand the differences in conversions and results between the new SKAN attribution, existing Ads Manager reporting and lift

- Important for future references when SKAN becomes the default reporting option

Section 3

Key Actions to Take Before IDFA Loss

Key actions Mobile App Advertisers need to take before Apple's IDFA removal in "early spring".

- **Do It Now:** Review Facebook's developer blog post as a great starting point.

- **Do It Now:** Upgrade to Facebook's SDK version 8.1 or later, assuming you are using their SDK for advertising.

- **Get Ready:** Configure App Events Optimization, Mobile App Install, and Events with AAA and Value campaigns.

- **Get Ready:** Advertisers using Facebook SDK & App Events API, get prepared to use "Advertiser Tracking Enabled" to tell Facebook to restrict data use on a per-event basis.

- **Get Ready:** If you are using App Events API, plan to integrate SKAN API using Event Manager. See instructions in Facebook's native tools.

- **Get Ready:** Create several ad accounts (1) Android, (2) iOS < 14, and (3) iOS14 and later. The iOS14 account must strictly adhere to the following account requirements including: 1 account, 9 campaigns per app, and 5 ad sets per campaign of the same optimization type. See below for some of our recommendations.

Suggestions for how to set up your iOS14 Account for In-App Purchase (IAP) apps, and ideas for how it will evolve when lookalike audience performance erodes.

In App Purchase (IAP) Set Up – While LALs are still in effect

Strategy	Campaign	Ad Set	Geo	Targeting	Bid Type	Goal
Scale	1	1	T1 + US	Broad	VO - Auto	High scale AAA campaign in top performing
	2	1	ROW	Broad	VO - Auto	High scale AAA campaign in ROW countries
Efficiency	3	1	US	Broad	VO - Auto	Broad targeting split by geo, using CBO to auto-optimize. Additional ROAS boost from Min ROAS bidding.
		2	T1			
		3	ROW			
		4	US + T1		VO – Min ROAS	
		5	ROW		VO – Min ROAS	
High ROAS	4	1	WW	Broad: Hours 0-5	VO - Auto	Broad targeting split by timezone, using CBO to auto-optimize. Additional ROAS boost from top performing demo.
		2		Broad: Hours 6-11		
		3		Broad: Hours 12-17		
		4		Broad: Hours 18-23		
		5	Top 10	Broad: Top Demos ex: F 25-44		
	5	1	WW	Broad: DLO All languages	VO - Auto	Broad targeting split by language, using CBO to auto-optimize. Running both language specific and DLO.
		2		Broad: French Speackers		
		3		Broad: German Speackers		
		4		Broad: Italian Speackers		
		5		Broad: Spanish Speackers		
	6	1	Top 10	Primary Metric Value LAL 1%	VO - Auto	High Performing LAL audiences based off of Primary Metric Value, using CBO to auto-optimize.
		2		Primary Metric Value LAL 3%		
		3		Primary Metric Value LAL 5%		
		4		Primary Metric Value LAL 10%		
		5		Primary Metric Value LAL 20%		
	7	1	Top 10	Primary Metric Frequency LAL 1%	VO - Auto	High Performing LAL audiences based off of Primary Metric Frequency, using CBO to auto-optimize.
		2		Primary Metric Frequency LAL 3%		
		3		Primary Metric Frequency LAL 5%		
		4		Primary Metric Frequency LAL 10%		
		5		Primary Metric Frequency LAL 20%		
Exploratory	8	1	Top 10	Secondary Metric Value LAL 1%	VO - Auto	Exploratory LAL audiences based off of Secondary Metric Value, using CBO to auto-optimize.
		2		Secondary Metric Value LAL 3%		
		3		Secondary Metric Value LAL 5%		
		4		Secondary Metric Value LAL 10%		
		5		Secondary Metric Value LAL 20%		
	9	1	Top 10	Interest: Competitors	VO - Auto	Exploratory spend split by interest groups, using CBO to auto-optimize.
		2		Interest: App type		
		3		Interest: Closely related		
		4		Interest: Affinity		
		5		Interest: Motivators		

Recommendations for how to set up your iOS14 Account for In-App Purchase (IAP) apps when lookalike audience performance erodes.

In App Purchase (IAP) Set Up - without LALs

Strategy	Campaign	Ad Set	Geo	Targeting	Bid Type	Goal
Scale	1	1	T1 + US	Broad: Primary Optimization	VO - Auto	High scale AAA campaign in top performing countries towards primary optimization.
	2	1	ROW	Broad: Primary Optimization	VO - Auto	High scale AAA campaign in ROW towards primary optimization.
	3	1	T1 + US	Broad: Primary Optimization	AEO - Auto	High scale AAA campaign in top performing countries towards secondary optimization.
Efficiency	4	1	US	Broad	VO - Auto	Broad targeting split by geo, using CBO to auto-optimize. Additional ROAS boost from Min ROAS bidding.
		2	T1			
		3	ROW			
		4	US + T1		VO – Min ROAS	
		5	ROW		VO – Min ROAS	
High ROAS	5	1	WW	Broad: Hours 0-5	VO - Auto	Broad targeting split by timezone, using CBO to auto-optimize. Additional ROAS boost from top performing demo.
		2		Broad: Hours 6-11		
		3		Broad: Hours 12-17		
		4		Broad: Hours 18-23		
		5	Top 10	Broad: Top Demos ex: F 25-44		
	6	1	WW	Broad: DLO All languages	VO - Auto	Broad targeting split by language, using CBO to auto-optimize. Running both language specific and DLO.
		2		Broad: French Speackers		
		3		Broad: German Speackers		
		4		Broad: Italian Speackers		
		5		Broad: Spanish Speackers		
	7	1	WW	Broad: 25-34	VO - Auto	Broad targeting split by age, using CBO to auto-optimize.
		2		Broad: 35-44		
		3		Broad: 45-54		
		4		Broad: 55-64		
		5		Broad: 65+		
	8	1	US + T1	Broad: All languages DLO	VO - Auto	Additional builds combining top performance.
		2	Language Specific Geos: FR, DE, IT, SP	Broad: All languages DLO		
		3	US	Top Interest: English		
		4	T1	Top Interest: English		
		5	ROW	Top Interest: All languages DLO		
Exploratory	9	1	Top 10	Interest: Competitors	VO - Auto	Exploratory spend split by interest groups, using CBO to auto-optimize.
		2		Interest: App type		
		3		Interest: Closely related		
		4		Interest: Affinity		
		5		Interest: Motivators		

Suggestions for how to set up iOS14 accounts for In-App Purchase (IAP) apps once your lookalikes have eroded and you have tried the above. Please note, these recommendations are not in order of priority. They should be evaluated based on your app/audience and optimization techniques.

Additional Campaign Ideas to Try

1
- Broad
- Interests
- 1,3,5% LAL of Key Metric

2
- AAA
- 10,15,20% LAL of Key Metric
- Optimization Type

3
- 1,3,5% LAL of Secondary Metric
- 10,15,20% LAL of Secondary Metric
- Min ROAS

4
- DLO
- Timezone Targeting
- LAL: Average $ of Key Metric

5
- Individual Language Targeting
- LAL: Min $ of Key Metric
- LAL Freq of Key Metric: 5

6
- LAL Freq of Key Metric: 20
- Individual Placements
- LAL Freq of Secondary Metric: 5

7
- LAL Freq of Secondary Metric: 20
- Facebook Analytics Audiences
- Affinity Interests

8
- Age Breakout Targeting
- Top Ad Set LALs
- Unusual Creatives (Like DCO or Carousels)

9
- Previous months top Audiences stacked
- New Geo combinations
- Facebook Page LALs

10
- Reactivating prior month's top ad sets
- Geo category LALs (Asia, T1, etc.)
- Mega Stacks

11
- Broad targeting with exclusion audiences
- LALs of additional tagged actions (Completed tutorial, registrations)
- Top performing Demos ex: M 25-44

Suggestions for how to set up your iOS14 Account for In-App Ads (IAA) apps, and ideas for how it will evolve when lookalike audience performance erodes.

In App Ad (IAA) Set Up - with LALs

Strategy	Campaign	Ad Set	Geo	Targeting	Bid Type	Goal
Scale/ROAS	1	1	T1	Broad: Primary Optimization	AAA + AEO -Auto	High scale in top performing countries.
	2	1	ROW	Broad: Primary Optimization	AAA + AEO -Auto	High scale in top ad revenue countries.
	3	1	US	Broad: Primary Optimization	AAA + AEO -Auto	High scale in US.
Scale/ Language	4	1 2 3 4 5	WW	Broad DLO All Available App Languages Broad Top Language 1 Broad Top Language 2 Broad Top Language 3 Broad Top Language 4	AEO -Auto	Broad targeting split by language, using CBO to auto-optimize. Running both language specific and DLO.
ROAS	5	1 2 3 4 5	T1	Purchase Freq >5 10% App Use Freq >10 10% Engagement Freq >10 10% High Ad View 10% Game Milestone 10%	AEO -Auto	Strong ROAS Non-US countries + Wide % LALs to lower CPM/CPI. Value/Frequency/Retention based audience seeds. Use CBO to auto-optimize.
ROAS	6	1 2 3 4 5	ROW	Purchase Freq >5 10% App Use Freq >10 10% Engagement Freq >10 10% High Ad View 10% Game Milestone 10%	AEO -Auto	High Ad RPM Non-US countries + Wide % LALs to lower CPM/CPI. Value/Frequency/Retention based audience seeds. Use CBO to auto-optimize.
ROAS	7	1 2 3 4 5	US	Purchase Freq >5 10% App Use Freq >10 10% Engagement Freq >10 10% High Ad View 10% Game Milestone 10%	AEO -Auto	High ROAS US + Wide % LALs to lower CPM/CPI. Value/Frequency/Retention based audience seeds. Use CBO to auto-optimize. Isolate US to mitigate CPM risk.
Efficiency	8	1 2 3 4 5	US + ROW	Purchase Freq >5 10% App Use Freq >10 10% Engagement Freq >10 10% High Ad View 10% Broad	AEO -Auto	Cost control + scale in top ad revenue countries with CBO + secondary event optimization.
Exploratory	9	Variable	Variable	Placement Exclusions Conversion Window testing Interest Groups ABC LALs Broad	MAI/AEO/VO/AAA - Auto	Sandbox to test alternate optimizations and audiences

Recommendations for how to set up your iOS14 Account for In-App Ads (IAA) apps when lookalike audience performance erodes.

In App Ad (IAA) Set Up – Without any LALs

Strategy	Campaign	Ad Set	Geo	Targeting	Bid Type	Goal
Scale/ ROAS	**1**	1	T1	Broad: Primary Optimization	AAA + AEO - Auto	High scale in top performing countries.
	2	1	ROW	Broad: Primary Optimization	AAA + AEO - Auto	High scale in top ad revenue countries.
	3	1	US	Broad: Primary Optimization	AAA + AEO - Auto	High scale in US.
Efficiency	**4**	1	T1 + US	Broad	AAA + App Install w/App Event - Auto	Cost control + scale in top countries
	5	1	ROW	Broad	AAA + App Install w/App Event - Auto	Cost control + scale in top ad revenue countries
Scale/ Language	**6**	1 2 3 4 5	WW	Broad DLO All Available App Languages / Broad Top Language 1 / Broad Top Language 2 / Broad Top Language 3 / Broad Top Language 4	AEO - Auto	Broad targeting split by language, using CBO to auto-optimize. Running both language specific and DLO.
Scale/ Language	**7**	1 2 3 4 5	WW	Interest: Competitors / Interest: App type / Interest: Closely related / Interest: Affinity / Interest: Motivators	AEO + DLO- Auto	Interest group targeting with DLO using CBO to auto-optimize.
ROAS	**8**	1 2 3 4 5	ROW	Interest: Competitors / Interest: App type / Interest: Closely related / Interest: Affinity / Interest: Motivators	AEO - Auto	High performance in high ad revenue geos with CBO + primary or secondary optimization
ROAS	**9**	1 2 3 4 5	T1 + US	Interest: Competitors / Interest: App type / Interest: Closely related / Interest: Affinity / Interest: Motivators	AEO - Auto	High performance in premier geos with CBO + primary or secondary optimization

Key actions Web Advertisers need to take before Apple's IDFA removal "early spring". (Cont.)

- **Do It Now:** Verify your domain in Facebook Business Manager, see their developer blog post for more information.

- **Get Ready:** Prepare to operate and define the priority of each of 8 total events per domain. Note this may be a significant change for some companies and require experimentation.

- **Get Ready:** Evaluate and experiment with attribution windows. Note the potential loss of view-through attribution and required short windows of 24-48 hours.

- **Get Ready:** Experiment with campaign optimization strategies, bidding, audiences, etc.

Facebook's AAA API

- If you develop proprietary AdTech using the Facebook API, we also recommend that you implement Facebook's AAA API that was just released on February 1, 2021. Facebook has expanded the access of Automated App Ads to the Marketing Ads API.

- Automated App Ads API is a new way to run an app install ad on Facebook. This helps app marketers of all sizes achieve better performance, greater scale, and more efficiency.

- Automated App Ads leverages powerful machine learning to automatically optimize your campaigns across creative, audience, and optimization. They also deliver more high-value conversions with less effort.

- The product is designed to improve your experience with app marketing in three areas:

  - Better performance with AI-powered targeting and improved delivery models.

  - Sustain performance when increasing budgets with machine learning that automatically tests creative combinations to deliver the highest performing ads.

  - Faster and more efficient campaign management with a streamlined campaign creation flow that reduces the need for manual adjustments.

- Please see their developer documentation for more details on the API.

Check out our other articles related to IDFA removal:

- IDFA Armageddon Part I

- IDFA Armageddon Part II

- iOS14 & IDFA Loss

External Articles we recommend:

- Preparing our Partners for iOS 14: Impacts to App Advertisers and Developers

- App Tracking Transparency Codex: the ultimate guide to ATT, IDFA deprecation, and SKAdNetwork

- Tim Cook to speak at EU data conference at Apple-hosted advertising session

- Facebook Login Updates: A New Limited Data Mode

- Apple privileges its own ad network with ATT. What is its privacy endgame?

Facebook's latest updates to prepare partners for iOS 14:

- Preparing our partners for iOS 14: Mobile Web Advertising [December 16, 2020]

- Facebook's Previous Updates to Prepare Partners for iOS 14:

  - Preparing for Apple's App Store Data Disclosure Requirements [October 22, 2020]

  - Preparing our Partners for iOS 14 [Updated September 10, 2020]

Please reach out to sales@ConsumerAcquisition.com if we can help with IDFA strategy, creative or media buying on Facebook, Google, TikTok, Snap, and Apple Search Ads.

CONSUMER ACQUISITION