A New Twist on Privacy – Planning for IDFA Opt-In Launch

NOVEMBER 2020

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Background

As the media industry continues to make strides in privacy, iOS 14 updates are up next, subsequently causing the Identifier for Advertisers to be the latest tracking mechanism to take a hit.

What is the iOS 14 IDFA Apple Update?

- Apple announced several new privacy enhancements in iOS 14 that debuted in September 2020 but will not be enforced until "early 2021," including a stricter opt-in policy where users will have to choose to share their device IDs within individual apps where they are served an advertiser's media. By default, advertisers will not be able to target on IDFA until an opt-in happens.

- This means more data privacy for consumers.

More data privacy is good for consumers and can be the foundation for building more meaningful relationships with companies and brands.

How will this work?

- By default, a user is opted out when they launch an app.

- Once served the notification, they can decide to opt in or to confirm opt-out, sharing their IDFA on a per app basis; e.g., a user can decide to opt in for App A but opt out for App B.

  » For users who opt out of tracking, their IDFA will return a string of 0s, rendering it effectively useless.

  » For those who opt in, collection continues along the same path as today, with IDFA or another tracking device provided in a privacy-compliant manner.

  » Unless a user reinstalls, apps get one chance at the opt-in with the Apple pop-up, so it's important to optimize toward consent.

Implications:

- IDFA will not be able to be targeted, and a usable device ID will not be passed for in-app exposures, if consumers have not opted in. That puts a lot of pressure on the consent mechanic and message, and it will take some trial and error to get healthy opt-in rates.

- There remains a gap in collecting media exposure data, specifically related to in-app media on Apple mobile devices.

Infographic Source: Adjust

What is an Identifier for Advertisers (IDFA)?

IDFA is a mobile device ID that is collected from media sellers (DSPs, publishers, etc.). IDFAs are used to identify exposure to media on a mobile device, in-app, specifically on Apple. When shared directly with an onboarder, they can then be linked to an IRI Household (HH) ID for measurement. IRI HH-level data is also shared with onboarders directly within audience segments to link to an end partner's IDFAs for targeting within their platforms.

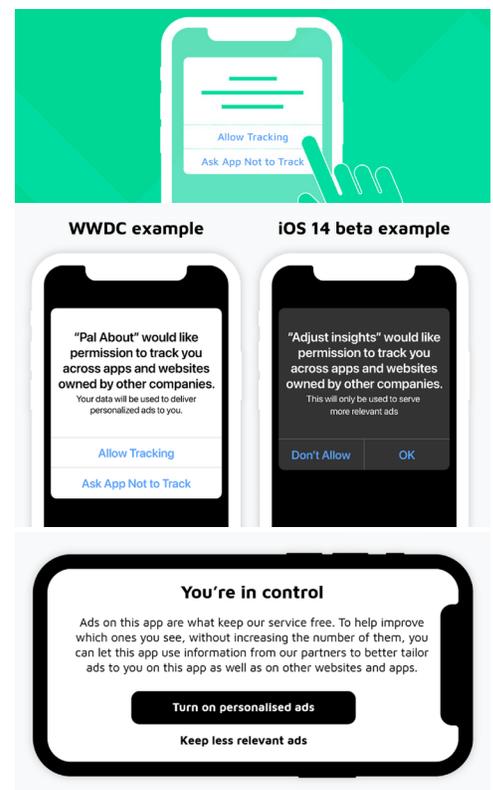IDFAs (or Apple phones) make up roughly half of U.S. smartphones.

AAID (Android Advertising ID) refers to another type of mobile ID collected from Android devices. These are not currently in jeopardy but could follow suit.

Implications: IRI Case Study

Using Scaled Deterministic Data Maintains Lift Even with Device ID Loss

The Situation:

With the side effects that the industry is feeling related to data compliancy and tracking, IRI set out to gauge the implications of data loss due to iOS 14 by restricting mobile IDs and measuring the possible impact on sales lift results. IRI did this by answering the following question:

- What would be the difference in results with original/normal data capture vs. ~25% loss of device IDs? ~50% loss of device IDs?

Results Show Little Fluctuation in Results with Device Loss

Note: 25% drop represented 25% matched HH IDs, which represented ~25-47% of campaign impressions. 50% drop represented 50% matched HH IDs, which represented ~50-66% of campaign impressions.
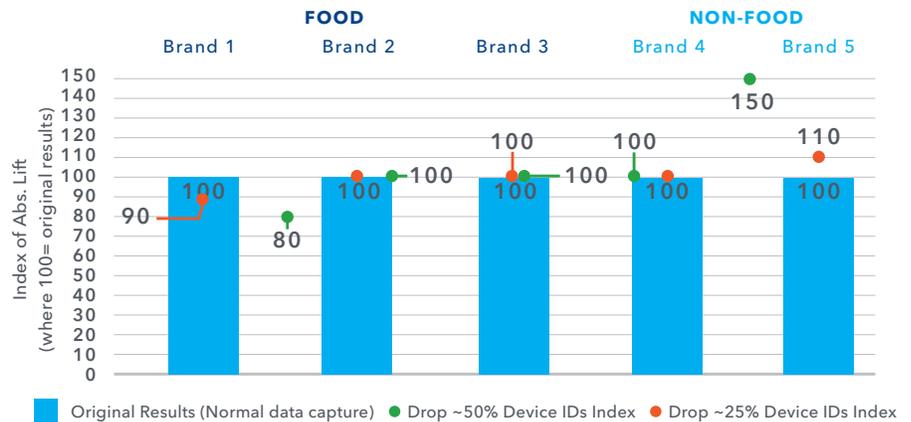
Testing Criteria

- ☐ Historical campaigns (running from late 2019 to mid-2020)
- ☐ Open web
- ☐ Food and non-food
- ☐ Cookies and device IDs available via exposure data (to be able to exclude % of devices from each run)

Definitions:

"Original"/"Normal" data capture includes collecting all IDFA, AAID and cookies that ran in corresponding campaigns, assuming standard match rates and minimal IDFA loss to date.

~25%-50% device loss testing selected due to initial predictions (which are conservatively estimated at 10%-70% per IDFA device loss).

Test Results/Findings:

- While the magnitude of the overall lift fluctuated slightly, the answer to whether a campaign was able to drive significant sales lift did not.

- Most of the brands tested used IRI audiences, enabling positive, significant lift, with these breaks driving stronger lift than the overall total campaign, even with the 25-50% device loss.

- In looking at absolute lift, dollar sales remained unchanged or only fluctuated a few cents between results. This equated to minimal, tenths of a percent difference for lift, representative of roughly a ~5%-10% decrease in incremental sales.

- There was virtually no difference between capturing 25% or 50% fewer devices on results.

- Food and non-food alike had little fluctuation.

- Scaled deterministic data allows for more relevant targeting, stronger 1:1 matching and increased chance of significance to measure.

> **Other data outage findings (Re: California Consumer Privacy Act)** Results were similar when testing sales lift fluctuations in which devices/cookies from California are also excluded for the same campaigns, adhering to CCPA guidelines.

Next Steps

- The media ecosystem is figuring this out together, in real time. To fill the gap that will be created by cookies becoming obsolete and iOS 14 changes, the entire industry needs to come together to help implement a solution that will bring a privacy-first approach to marketing measurement.

- Sharing data should be a value exchange where a consumer can continue to get value (e.g., free content, discount on purchases) in exchange for understanding who is collecting their data and how it is used. The more transparency in the process, the less fear consumers will have in sharing their information.

- Continue to pursue industry advances with onboarders and partners that will enable the capture of more privacy-compliant and consumer-friendly IDs for tracking. These will not be a one-size-fits-all solution for a marketer's needs. Each media seller will adopt what works best for their platform, so IRI urges advertisers to continue to have these conversations directly with the end partner in control.
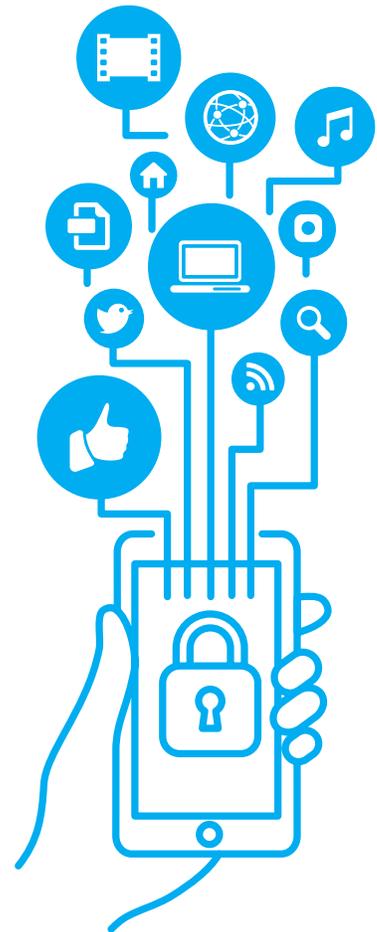
How IRI Can Help:

Audiences/Targeting

- IRI data collection practices for targeting are not impacted by iOS 14, because our data is collected at the retailer. IRI data is via Experian at the household level. The dependency of the IDFA opt-in/iOS 14 changes and availability for targeting will be based on the end partner IRI's audiences are being pushed and activated within.

- All partners IRI audiences are shared to can be assessed on a case-by-case basis to deem how much IDFA loss is a factor. IRI will determine if and how conversion of HHs to targetable devices will be updated in coming months.

- IRI plans to continue to work with advertisers to relevantly target the consumer, utilizing accurate deterministic and probabilistic purchase-based targeting solutions (via Verified, Complete and IRI ProScores® audiences) that refine targeting to only those who are within, related to and/or near your core set of purchasers, continuing to help break through clutter and irrelevant targeting in the ecosystem.

Measurement/Tracking

- IRI has the largest loyalty card dataset in CPG and leverages methodology with a strong control match and bootstrapping to remove outliers, so a loss of some mobile IDs does not affect our ability to measure statistically significant results.

- IRI's measurement is powered via Experian HH IDs. When a partner shares their campaign exposure data to an onboarder and it then comes to IRI for analysis, it is no longer specific to a cookie or device ID.

- It is always best to check with the end partner running the media to understand if they will have any issues collecting any of this data in the future. IRI will continue to assess partners on a case-by-case basis, but we can ingest any data we receive.

- Many of the shifts in spend in the industry are to CTV and OTT, channels that are not always cookie or mobile ID reliant and that IRI can capture. IRI continues to assess other shifts in spend, like podcasts, and how to best capture these uncharted channels for measurement.

- IRI leverages a variety of methodologies via our partner studies, such as bootstrapping, Randomized Control Trial or Opportunity to See, all of which operate well in an ecosystem where IDs become restricted.

- IRI will roll out any necessary changes in the coming months related to feasibility to anticipate mobile ID loss on heavy in-app plans. IRI's ability to measure mobile/device-related breaks will vary by volume received by end partner and estimated feasibility.

Learn more about IRI Measurement at IRIworldwide.com or email us at Media@IRIWorldWide.com.

About IRI
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