The Impact of iOS 14.5 on Digital Advertising Networks

Industry News

iOS 14

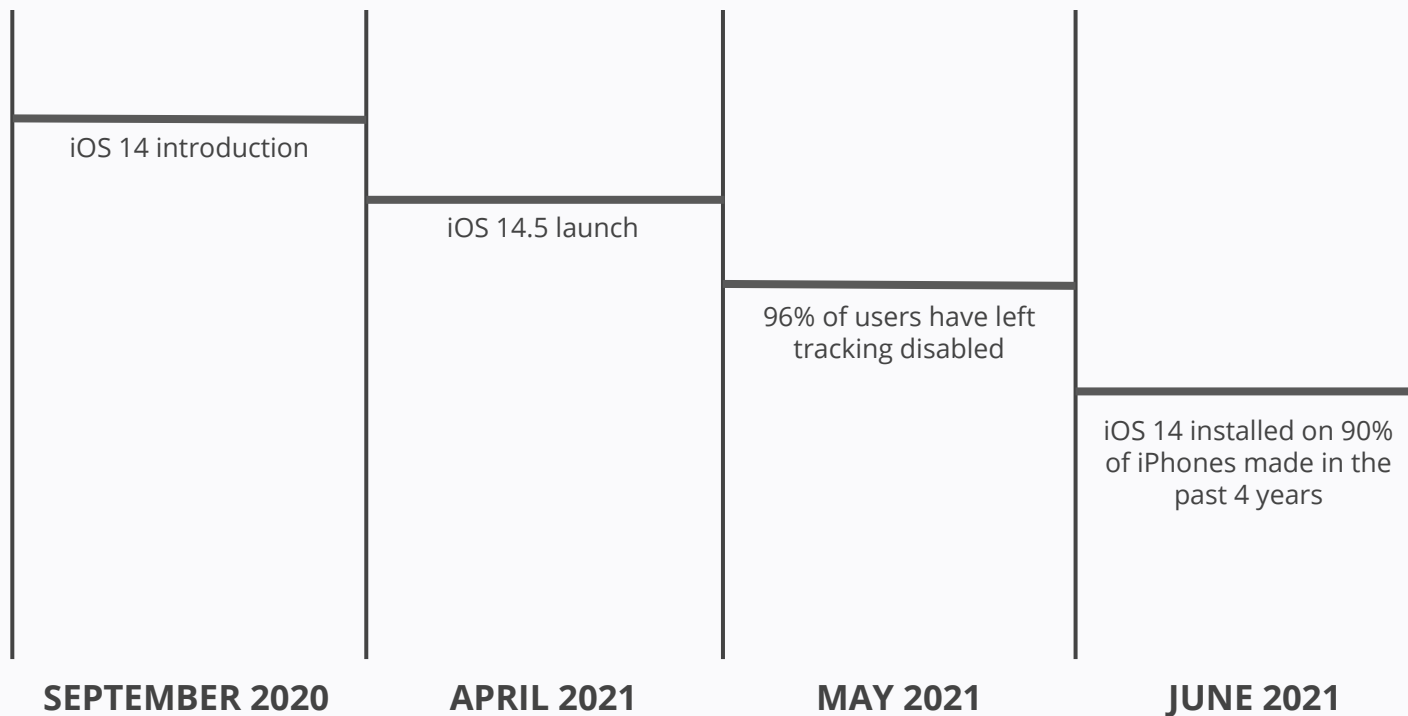# Looks brand new.
Feels like home.

iOS 14 brings a fresh look to the things you do most often, making them easier than ever. New features help you get what you need in the moment. And the apps you use all the time become even more intelligent, more personal and more private.

Since September 2020, Apple has been rolling out their latest iOS 14 software. In April 2021, the latest iteration, iOS 14.5, was released which includes the privacy measures that digital advertising platforms have been preparing for since 2020.

From the beginning of April 2021 to mid June 2021, 70% of iPhones had adopted iOS 14.5 or higher.

70%

Penetration Rate (%) Worldwide

35%

0

April 11, 2021
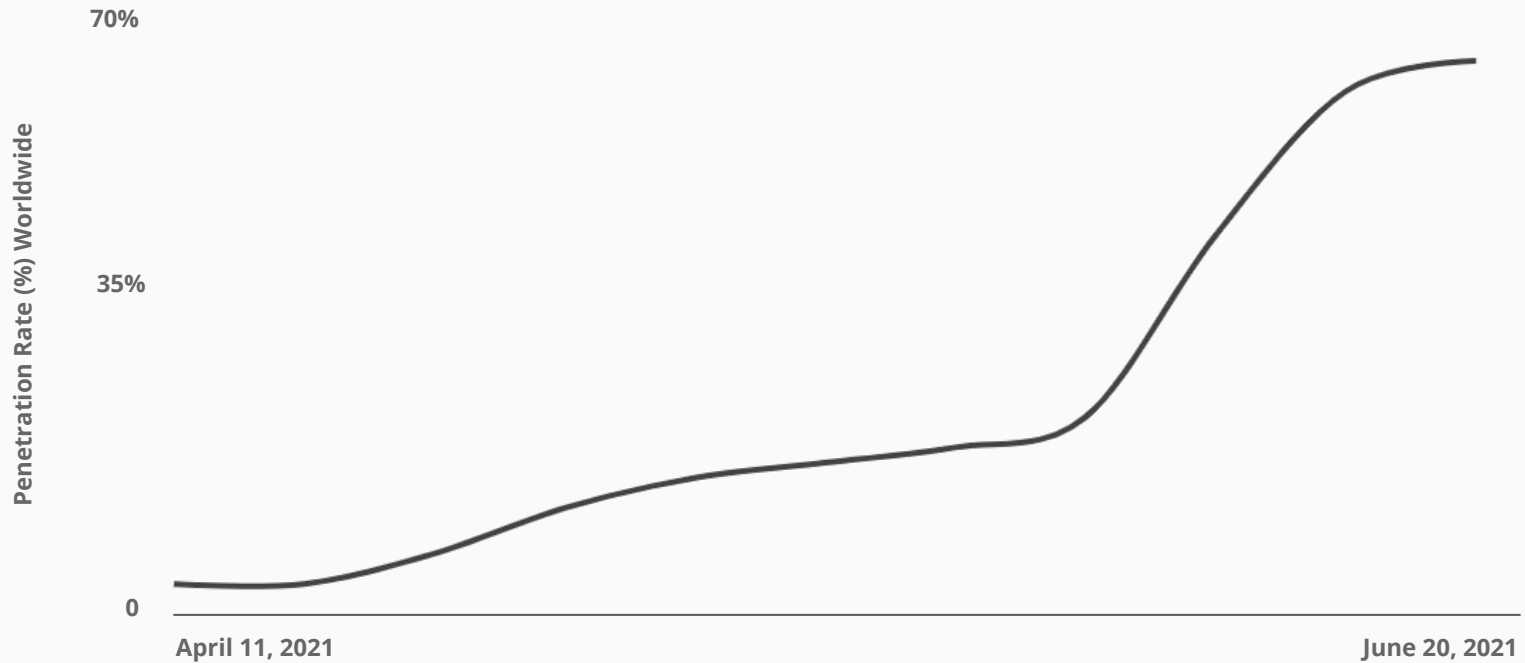
June 20, 2021

After a slow launch and many iterations, by the end of June 2021, iOS 14 had been installed onto 90% of iPhones sold in the past 4 years.

iOS 14 introduction

iOS 14.5 launch

96% of users have left tracking disabled

iOS 14 installed on 90% of iPhones made in the past 4 years

SEPTEMBER 2020   **APRIL 2021**   **MAY 2021**   **JUNE 2021**

As iOS 14 has been rolling out since September 2020, the updated release of iOS 14.5 in April 2021 included the [introduction](#) of strict transparency and privacy regulations for app data tracking and collection.

This update directly affects applications and developers in the following ways:

Describing How Apps Use Data

App developers must now be transparent about how data is used and how it will be tracked if the user selects to allow tracking.

Asking for Permission to Track

Apps will have to follow the AppTrackingTransparency framework to track users or access a device's advertising identifier.

AppTrackingTransparency (ATT) Framework

A prompt must include a statement to describe why the app wants to track user data. The user's advertising identifier will only be presented when the user actively opts-into the tracking.

Adhering to iOS 14.5

If an app does not adhere to the new policy restrictions they will not be able to be featured in the App Store.

Apple's new privacy features include Private Click Measurement (PCM) which restricts the data that can be shared across platforms.

🔍 How do Facebook & Google track data on specific ads with this restriction?

The SKAdNetwork   An ad network API that helps advertisers measure the success of ad campaigns.

The API Involves:

1 *Ad Networks* that create ad signatures and receive install-validation after ads result in conversions

2 *Source apps* which display ads provided by the ad networks

3 *Advertised apps* that appear in ads that have been given a signature

In order for the SKAdNetwork to work:

1 Ad networks must register with Apple

2 Developers must configure their apps to work with ad networks

While many platforms may be affected by these changes, Facebook's Ad Network will face the majority of the impact through the following factors:

Event Measurement

Facebook is moving to an *Aggregated Event Measurement* system.

Advertisers can configure 8 prioritized web conversion events per domain which Facebook will eventually focus on optimizing based on your ranking and what they believe is most relevant to your business.

Reporting Limitations

Delayed Reporting: Data may be delayed up to three days. Web conversion events will be reported based on the time the conversions occur and not the time of the associated ad impressions.

Estimated Results: Web conversion events may feature statistical modelling to account for conversions from iOS 14 users.

Attribution Windows

New ad set attribution settings can be accessed during the campaign creation.

It ensures that the conversions measured are the same ones used to inform campaign optimization. Default for campaigns will be a 7-day click attribution window.

The Impact:

❝ 4% of iPhone users in the U.S. have actively chosen to opt-into app tracking after updating their device to iOS 14.5 ❞

This data is based on a sampling of 2.5 million daily mobile active users by Flurry.

What do the public think?

As iOS 14 is continuing to roll out, the general public who are getting served ads fall into the following three categories:

Pro-Tracking   **Anti-Tracking**   **Don't Understand**

10%

33%

58%
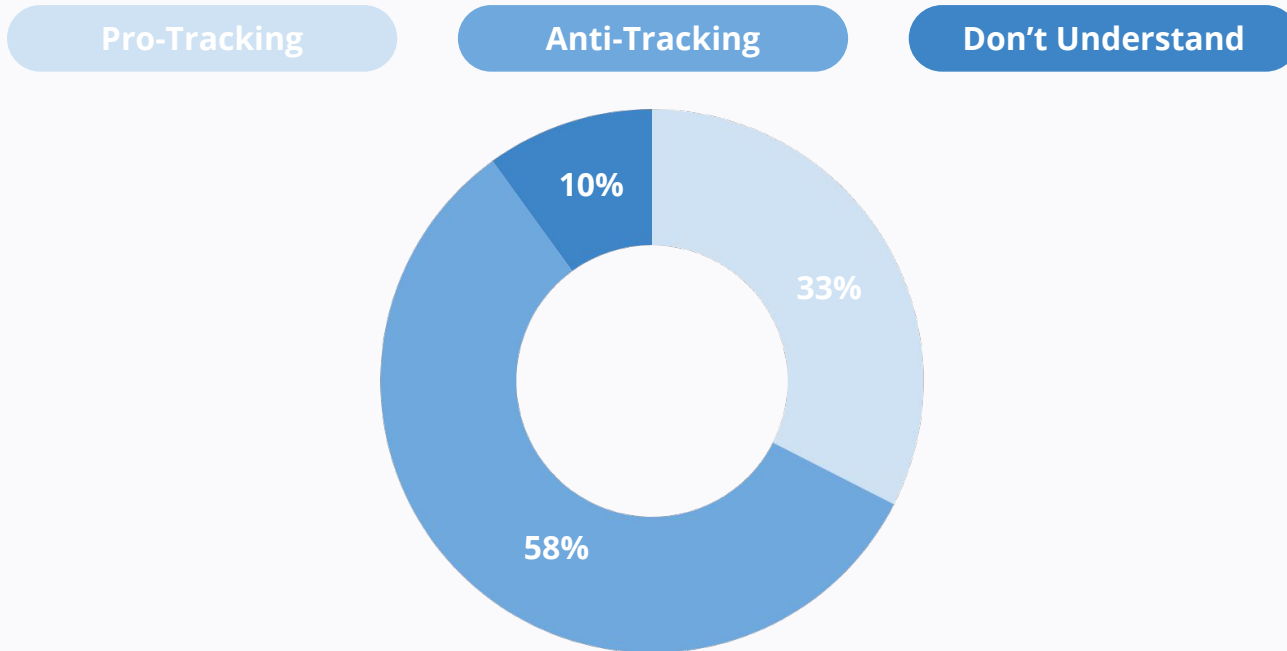
The public have been expressing their feelings about the privacy opt-in based on the 5 following sentiments:

01

Receiving Repetitive Ads Post-Purchase

yes, I thoroughly enjoy being shown ads for toilet seats for a month after buying a toilet seat.

Click to view

02

Indicating Preference For Native Ads (ie. print)

Isn't native advertising a more elegant solution?

8:44 AM · Jun 20, 2021 · Twitter Web App

Click to view

03

Positive Sentiments

I am part of the 3% that opted in for personalized ad experience post iOS14 update.

I will pay in data for curation and convenience.

Click to view

04

Worry over Past Scandals

The "normal" ads side of this is actually great, always appreciated it and thought it could lead to some great customized experiences but..... Cambridge Analytica and Facebook exposed (by abusing the system) how so much more than just ads all this was about and there it got scary

Click to view

05

General Privacy Issues

There really should be a certain balance.

Obviously personalized ads are better for both consumers and producers but exploiting user data should not be the product of that
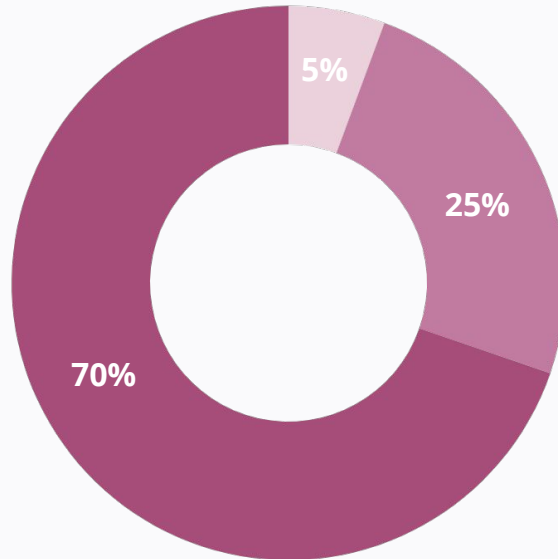
Click to view

How is iOS 14 affecting marketers?

Since March 2021, slowly marketers have been feeling the effects of users opting in and out of tracking. Marketers are claiming that their ad campaigns have either:

Improved **Remained the Same** **Gotten Worse**

5%

25%

70%

Currently, marketers are facing issues with five main areas in their campaigns:

UNDER REPORTING

56%

Marketers are seeing discrepancies in the timeliness and accuracy of the reporting on their campaigns.

Romans Ivanovs · 2nd
Founder Riu Media | Scaling eCommerce brands with pa...
1mo · 🌐
+ Follow

3 client ad accounts got bitten by iOS14.5 updated! Or did they...?

So what happened?

Starting from the 7th of June 3 of our client accounts with totally different monthly ad budget dipped all in the same time. Well, technically we started seeing underreporting 10-15% underreporting from Facebook's side. So the dip is yet to be fully analysed.

How do we know it's iOS update?

Well, we don't 100% know as we need to monitor the performance for a little longer. There are many variables that play a significant role in ad performance such as ad creative, account structure, targeting, amount and quality of data the account has, current bidding price, etc. In other words, I may have the best ad set up in my niche and pay the least to acquire a customer and still be affected by iOS updates when someone with OK or below average ads can be totally fine and still perform well.

What are we doing about it?

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LOWER SALES

6%

Marketers are seeing less conversions than previous success on their campaigns.

Crossposted by u/frogsexchange 4 months ago

How has iOS14 affected your sales?

Facebook Ads

r/GrowthHacking · Posted by u/frogsexchange 4 months ago
Industry News   How has iOS14 affected your sales?

Since the implementation of iOS14, FB performance has tanked for us. Anybody else experiencing the same thing?

9 points · 7 comments

💬 15 Comments   ⬆ Award   ···   100% Upvoted

Comment as hannahfarache

What are your thoughts?

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OWNING DOMAINS

13%

Marketers who use external domains as landing pages are struggling with verification for their Pixels.

Posted by u/SnideOctopus 2 months ago

Advice/workaround to continue running FB conversion ads to crowdfunding sites after iOS14 update?

Facebook Ads

Hey all, We've run some really successful and long-standing FB conversion ads to Indiegogo, a popular crowdfunding site. The site lets you connect a FB pixel.

Now with iOS14 update, FB requires we verify that we own the domain to run conversion ads (we don't, since it's a crowdfunding site). We've been trying traffic ads, but they're less than 25% as effective.

Any suggestions on workarounds here? Considering just setting up our own site to take crowdfunding pre-orders on, but this would be costly and might not convert as well as an Indiegogo usually does. Thanks.

💬 2 Comments   ⬆ Award   ···

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LOW CTR, HIGH CPC

19%

Ads run under iOS 14 are consistently returning lower click through rates and higher costs per click.

Posted by u/abaco12345 7 months ago 🏅

I got hit hard by IOS14

Discussion

Hello everyone,

Just a quick message to vent: I'm managing multiple e-commerce and always had great results. (we have clients who invest from 1k to 5k a day)

At the beginning of 2021 everything started to fall apart to the point we are losing too much money.

Yesterday and today we barely got any sales. (From an average of 250/day, to 30; not kidding)

What I noticed is this: CTR went to shit and CPC exploded.

I think Facebook lost so much data that is not able to optimise and find the right people, so it's showing our ads to random people.

Our creatives (copy and img/video) are great an

[View](#)

LESS ENGAGEMENT

6%

Marketers working on engagement campaigns are seeing much less interaction with their promotions.

Posted by u/madcapmax 13 days ago

I honestly think a large chunk of ads are being shown at random regardless of "interest" or pixel targeting

Before the iOS14 update, every time I would create an ad, even if I didn't get sales I would get likes, shares, and tons of comments. Now the engagement on posts and ads is absolutely abysmal.

I honestly think a large chunk of our ads are being randomly served with no regard for the targeting that was selected, even with pixels. This is being done to keep numbers up.

Organic reach also has gone from about 0.5% to probably 0.1% that's pretty funny back in the day when I was spending thousands to build my facebook "followers" list.

If Facebook doesn't figure out a solution to this, they are going to have some serious trouble.... I'm very curious to see what their next earning report will look like.

[View](#)

Source: Content data via API & Scraping from Linkedin, reddit and Twitter from Mar. '21 to Jun. '21

These challenges have led marketers to build stronger and more creative tactics in their digital ad campaigns such as:

Building & Testing Extra Creatives

Instead of hoping for certain elements of campaigns to remain the same as before iOS 14.5, marketers are testing large amounts of creatives to see what is resonating with audiences. Each iteration provides a winning example of ads that can be expanded on for further marketing.

Example

Updating Data & Analytic Sources

Traditionally marketers would rely on Facebook's ad reporting to see their metrics. Action is being taken to move all analytics to Google's Data Studio.

UTM parameters are playing an even larger role in digital advertising to account for this shift.

Example

Focusing on Email-Based Solutions

Retargeting isn't what it used to be and gathering information won't be as effortless as before.

Marketers are focusing on lead generation to put leads back into Facebook and help identify audience sets as well as to use for marketing communication purposes.

Example

These challenges have led marketers to build stronger and more creative tactics in their digital ad campaigns such as:

Integrating an Omnichannel Approach

If marketers had not previously considered building a holistic strategy outside of Facebook ads, many are now looking to Snapchat, TikTok and influencer strategies that don't rely on gathering data as much as Facebook advertising.

Example

Campaign Budget or Ad Set Budget Optimization?

CBO and ABO are being leveraged together throughout testing to see what's working across Facebook ads.

Marketers are testing new content campaigns with CBO while evergreen campaigns are set to ABO.

Example

Android & Apple Targeted Ad Sets

(For now) Android users aren't facing the same privacy opt-in as Apple users.

To leverage this, marketers are experimenting running ad sets for each device separately to test if there are differences in acquisition and CPC.

Example

These challenges have led marketers to build stronger and more creative tactics in their digital ad campaigns such as:

Experimenting & Stacking Funnels

Marketers are experimenting by merging the middle and bottom funnels. This translates into a larger audience compiled of:
- social engagers
- all website visitors
- 'viewed content' visitors
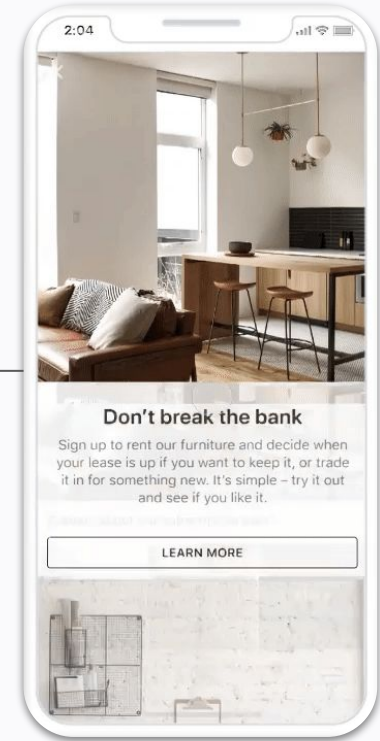- 'add to cart' visitors with previous buyers removed

Example

Keeping People on the Native App

In an effort to experiment with new landing pages and keeping users on the app for longer, marketers are leveraging the "Instant Experience".

This is a mobile optimized landing page for marketers to tell their story and editable within Ads Manager.

Example

Don't break the bank

Sign up to rent our furniture and decide when your lease is up if you want to keep it, or trade it in for something new. It's simple – try it out and see if you like it.

LEARN MORE

Key Takeaways

In April 2021, Apple released the latest iteration of iOS 14.5 which included privacy measures that digital advertising platforms have been preparing for since its introduction in 2020.

- **iOS 14.5+ Penetration:** By the end of June 2021, 90% of iPhones made in the past 4 years had adopted a version of iOS 14 or higher. In order for users to allow data tracking, they must opt-in themselves, as of June 2021 only about 4% of users have opted-in for tracking.

- **Impact on Facebook:** Facebook will initially see the most changes and challenges due to their advertising model and have prepared advertisers to recognize new changes across event measurement, reporting limitations and different attribution windows.

- **Public Sentiment:** Currently, the public is less inclined to opt-in for tracking as they want to keep their data private as is aligned with the 4% opt-in rate. The main reasons people are not interested in having their data tracked are due to repetitive post-purchase messaging, wanting to see a resurgence of native ads such as print and billboards, lack of trust due to Facebook's previous data scandals, and genuine disinterest in ads and having any content tailored to them.

- **Impact on Marketers:** 70% of marketers are saying that their ad performance has gotten worse since the roll out of iOS 14 due to a lack of reporting, lower sale generation, issues with domain ownership, lower click through rates but higher costs per click and less engagement on promotions.

- **Advertising Solutions:** Marketers are getting creative and seeking solutions through increased testing on creatives, updating their data sources, focusing on lead generation, integrating omnichannel strategies, mixing campaign and ad set budget optimization, segmenting Android and Apple device targeting, merging funnels and building interactive in-app experiences.