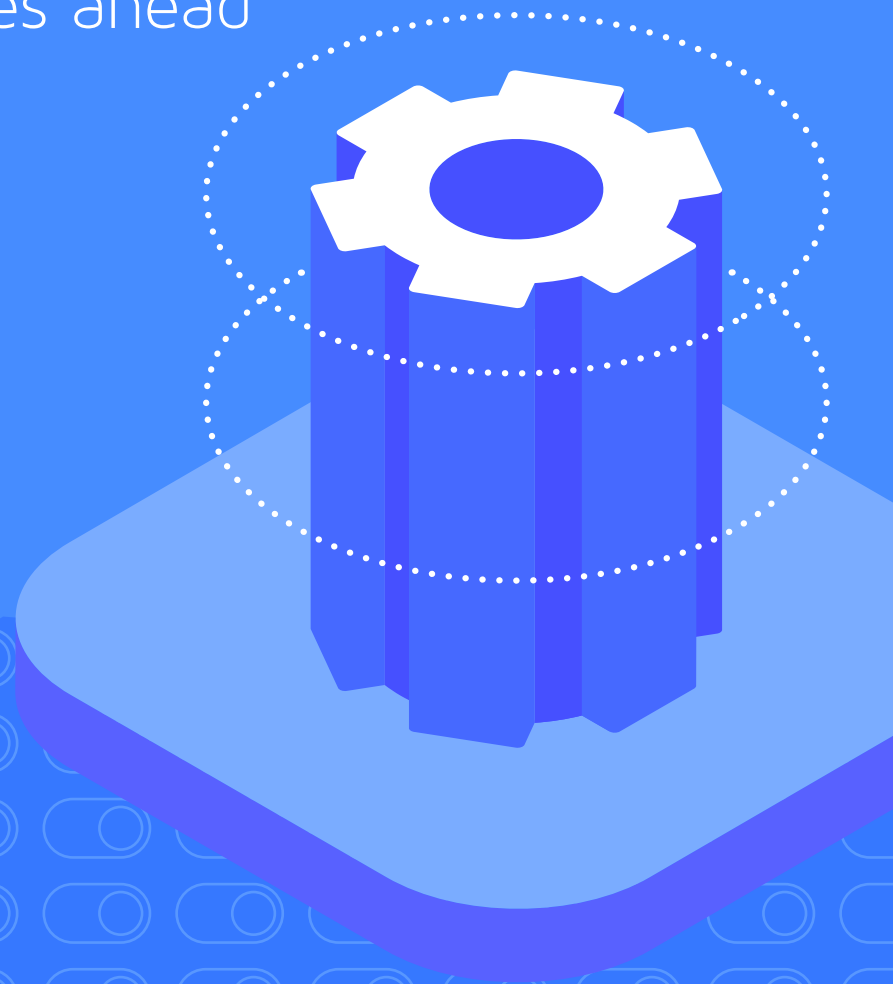




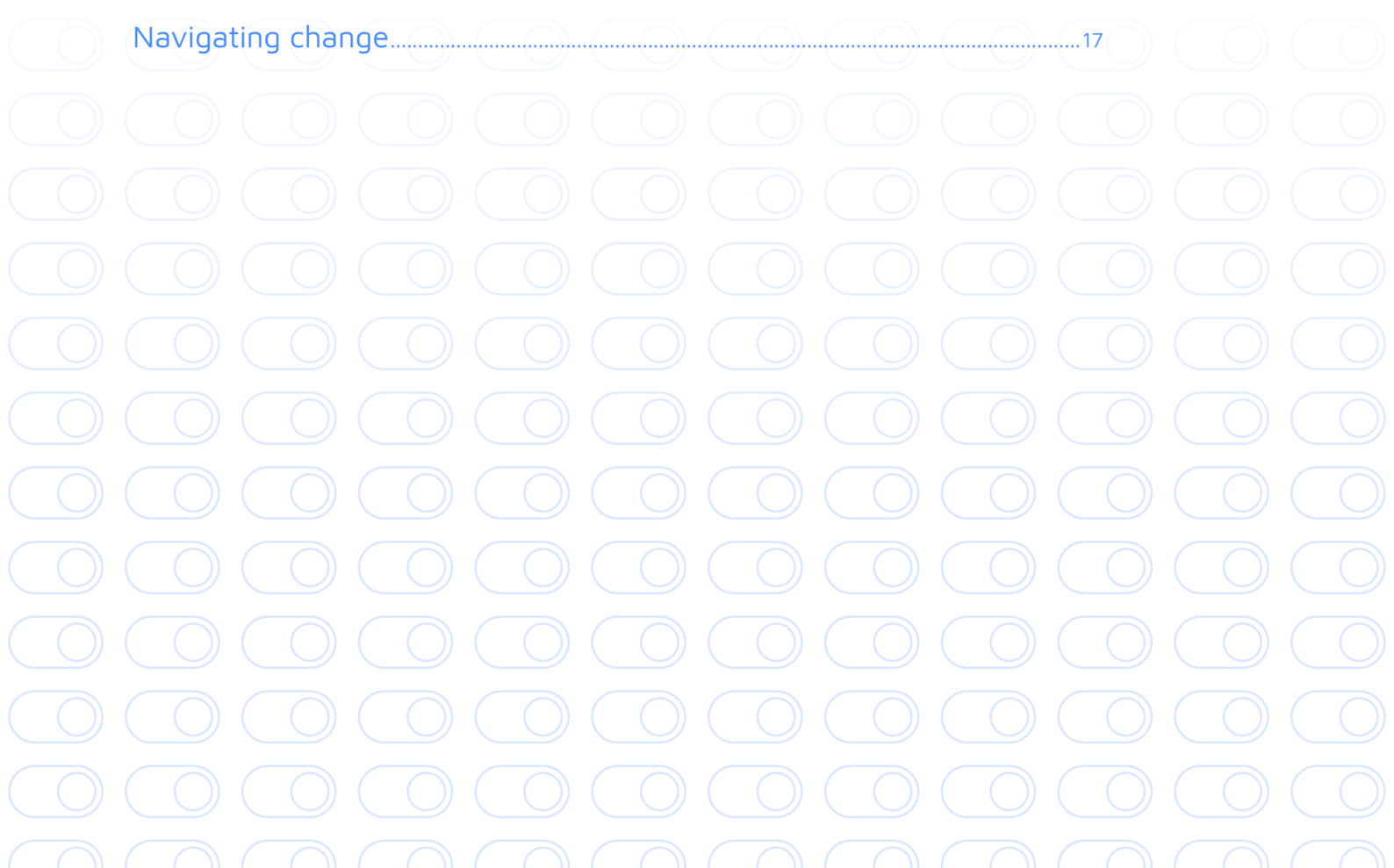
# The complete guide to mobile app monetization on iOS 14

Getting your company ready for  
the privacy changes ahead



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# Executive summary

September is fast approaching, and with it comes Apple’s new user privacy regulations for iOS 14. Although its release date is yet to be set in stone, the update will dramatically change how advertisers target users on iOS. The question now is how advertisers can start getting ready for the changes and make sure they’re one step ahead once iOS 14 launches.

To help you navigate these changes, Adjust’s latest guide, “The complete guide to app monetization on iOS 14”, is designed to help get your company ready for the privacy updates ahead. We start by detailing how this new framework will affect the future of the ad ecosystem, before outlining a step-by-step plan of five important elements you need to consider - from the most impactful user consent mechanisms to adapting your monetization strategies.

The advice in this guide is based on discussions we have been having in recent weeks with hundreds of advertisers all around the world. While there are definite challenges ahead, we are also confident that as an industry, we will find a solution that protects user privacy while also creating a sustainable future for app developers and advertisers - and we are looking forward to working closely with the industry to solidify a solution. App developers, as the core of the mobile ecosystem, also have a unique and influential opportunity to provide feedback on creating workable solutions within an appropriate timeframe - even if that means looking beyond September.



# The future of the ad ecosystem on iOS 14

At Apple's 2020 WWDC conference the company introduced its latest iPhone operating system - iOS 14. The new OS features a number of new privacy features. For app developers and marketers the most critical of these is the AppTrackingTransparency Framework, which requires all apps to describe what data is being collected, how it will be used, and then ask user permission to access that data.

This is an opportunity to maximize user privacy while allowing app publishers to get actionable data for their business decisions. However, there are also definite challenges ahead.

## SKAdNetwork vs. AppTrackingTransparency

To start, it's worth clarifying the two main options for attribution and ad measurement that Apple has presented us.

On the one hand, Apple introduced the **AppTrackingTransparency (ATT)** framework that **manages access to the IDFA with required user consent**. Apple also outlined exemptions for this framework that might provide the ability for attribution as it exists today. We believe that focusing on this framework and creating tools within these rules is the best way forward - but before diving into this further, let's have a look at the other potential solution.

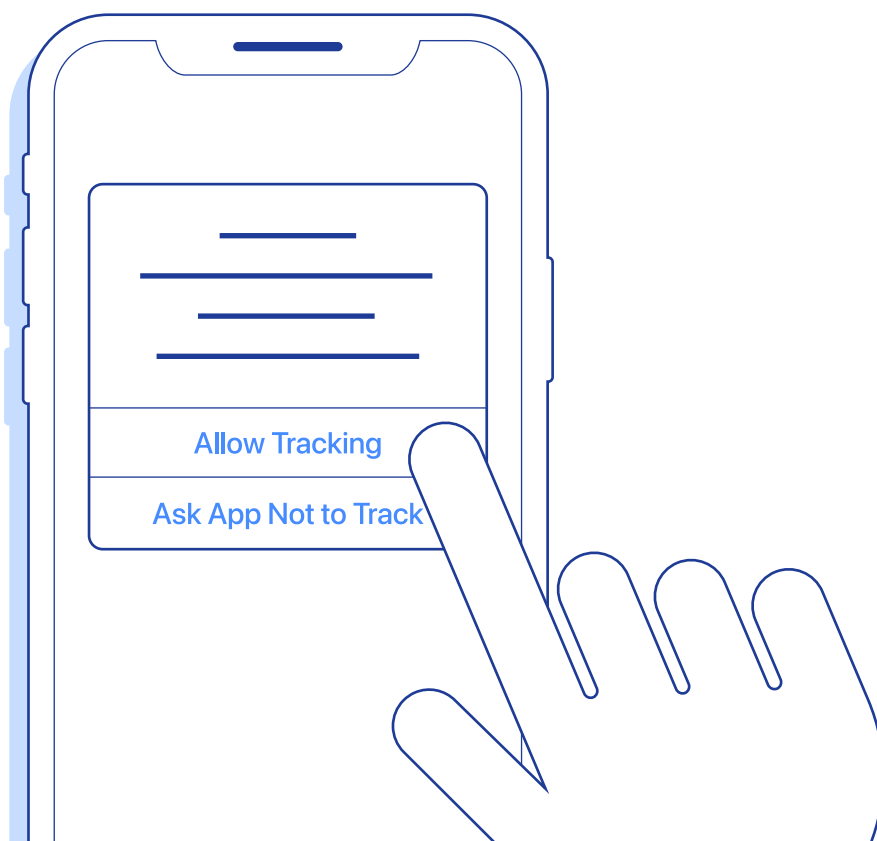
Often mentioned in the same breath, **SKAdNetwork (SKA)** is an **entirely different approach** to attribution **that removes user level data entirely**. Not only that, but it also puts the burden of attribution on the platform itself.

This poses three fundamental problems:

- The first issue is that user level data is necessary in today's world of user acquisition - not to profile users or serve them targeted ads - but to analyze how campaigns are performing on a granular level. SKAdNetwork's proposed 6-bit of downstream metrics does not offer nearly enough insights to manage the highly competitive performance-focused UA campaigns of today. Marketers will no longer receive retention data, revenue tracking or granular event tracking, meaning they will no longer be able to run their current campaigns.
- Indeed, the data tracked with SKAdNetwork and the granular, in-app events tracked by MMP SDKs cannot be tied together, which limits any kind of campaign analysis to the install metrics only.

- The second issue revolves around the level of granularity SKAdNetwork allows for its aggregated data, where only 100 different campaigns will be visible per network. Looking at our clients who run an average 15 campaigns per network you might think this isn't such a big problem. But beneath each of these campaigns, there are often countless sub-levels for different geographies, device types or creatives. With SKAdNetwork, using 10 creatives in five countries, for example, would only allow you two distinct campaigns per network. Coupled with the random delay of data from each device, this means making granular real time decisions is near impossible.
- Moving attribution away from the MMPs, who have the best experience in this area, could stifle innovation. The minor changes to SKAdNetwork from version 1.0 to 2.0 suggest a lack of alignment with the needs of its customers when it comes to ads that power app discovery on the platform. SKAdNetwork provides no ability to deep link (deferred or conditional), view-through attribution, and does not consider anything but the act of downloading as attributable. When it comes to ad fraud, they will at best be solving the issue by making most advertising not viable in the first place.

This is why we believe that implementing a consent form within their app, in line with the AppTrackingTransparency framework, presents the best path forward for the industry. We encourage all app developers to request user consent to track their users' data via a pop-up message within their app.



For users who opt out of tracking, their IDFA will return a string of 0s, rendering it effectively useless. By default, a user is opted out right from 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 - meaning that a user can decide to opt in for App A but opt out for App B.

**The changes will specifically affect the ad targeting side of the ecosystem.** Retargeting, exclusion targeting, segmentation, lookalike audiences and much more all currently rely on using the IDFA, so these changes will have big knock-on effects on ad monetization and user acquisition. It's important to note that Adjust does not offer targeting or retargeting capabilities - our product only measures its performance.



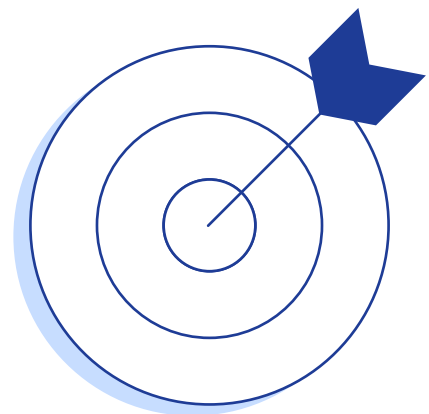
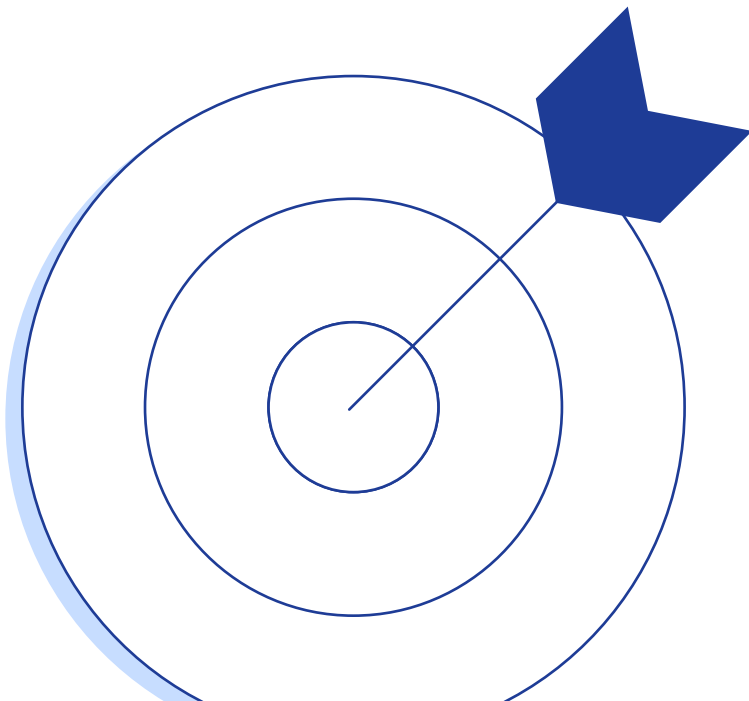
## Targeted versus contextual ads

To fully understand the impact iOS 14 will have on ad targeting, it's worth reviewing the differences between targeted and contextual ads.

Targeted ads are served to a user that has a specific profile. Once a user that matches that specific profile shows up in a publisher app, an ad is served to them. This ad is targeted specifically to that user because of their past interaction with advertisements and which apps they've been using. Targeting such a user requires knowing their IDFA, since it is the only ID that is common throughout all the apps. This is essentially the core of performance marketing.

Contextual ads are ads served to a user not because of their previous behavior, but because of the app they're in. These ads are not targeted to the specific user, but are served more broadly - for example, they might be served to all users who play a game in the US. Even if these users have very different interests, they would all see the same ad. Since this is just broad targeting, it does not require knowing the IDFA as it is not catered to the specific user. This is closer to brand marketing.

Most big publishers which monetize on ads want to be able to offer targetable users to the ad network, as targeted ads offer a higher conversion rate and drive up eCPM.



## How will this impact the Adjust platform?

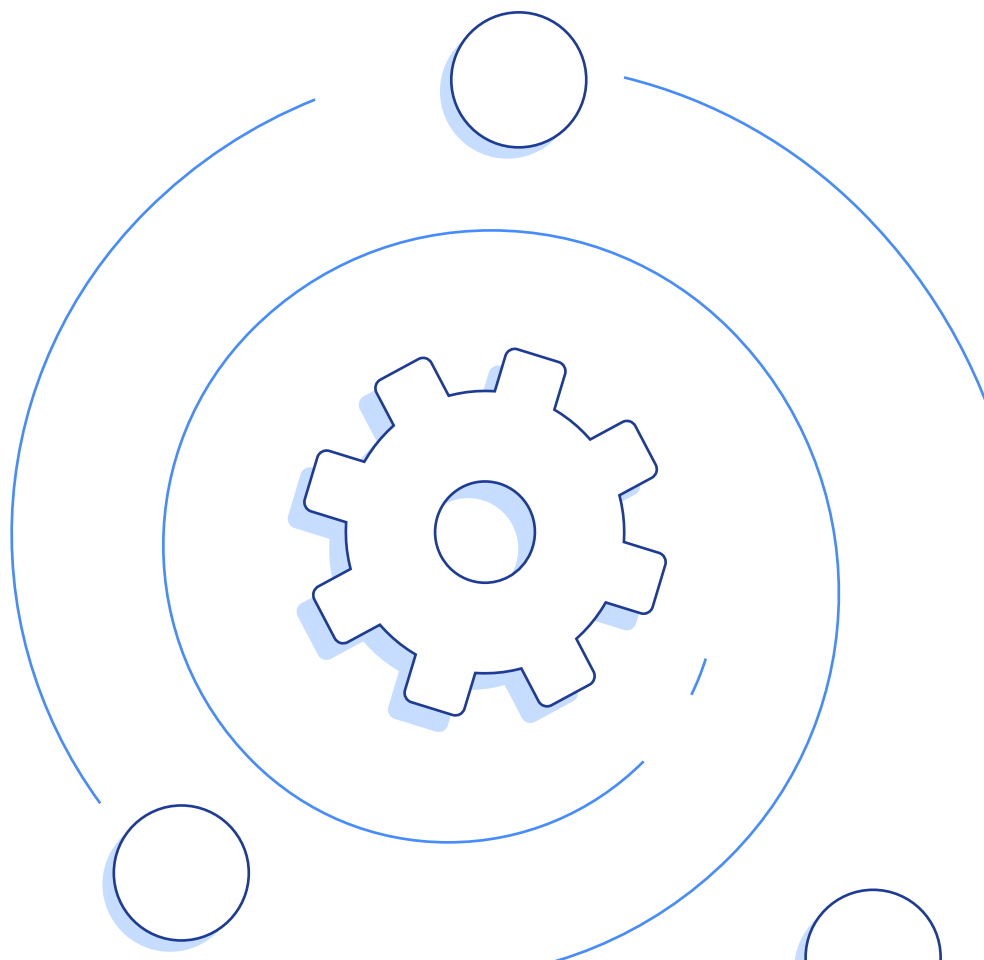
Since the announcement, Adjust has been extensively researching options to provide accurate and granular attribution under the new proposed rules that will be introduced on iOS 14.

Adjust will support our clients and partners using three different methods:

- Opt-in deterministic attribution using the AppTrackingTransparency framework
- Probabilistic measurement fueled by several non-deterministic signals
- SKAdNetwork as an additional set of data

Our attribution solution is fully compliant with Apple's guidelines even for users who do not opt-in. However, regardless of attribution, we support and recommend app developers to implement a consent flow that leverages the AppTrackingTransparency framework Apple introduced at WWDC2020 in their app to gain a competitive advantage, both on the supply and demand side.

There are a lot of key unknowns when it comes to targeting on iOS 14, and many of the technicalities still need to be ironed out before its release. Regardless of the outcome, advertisers should start preparing for these changes so they can feel confident and ready once September rolls around. While it can be hard to know where to start, we've put together a checklist of items to help you prioritize over the next few weeks.





# Getting ready for iOS 14: Where to start

## 1. Reviewing

To kick off, it's important advertisers do a full internal review of current IDFA use. This will give you a solid understanding of where and how you use it, and how your business may be affected without it.

For example:

- On a per app basis, look at which SDKs are calling on the IDFA (which MMPs or networks? How do your mediation or CRM platforms rely on it?). Make sure to also talk to each of your SDK providers to hear about their solution for IDFA requests on iOS 14.
- Prepare and plan for a version release with the updated SDKs, making sure that all stakeholders are aware and will dedicate the right resources to its release.
- Decide if you will be using SKAdNetwork as an additional source of attribution, so you have plenty of time to familiarize yourself with the [SKAdNetwork guidelines](#). This will also help you plan for its limitations - including limited post-install measurement so cohorted metrics won't apply for this method, the 100 campaigns per app per network limit, lack of granular measurement, and the fact that it will report only major publishers, and its unsigned conversion values opening the door for fraud.



## 2. Consent mechanisms

After doing a full review, user consent should be your next priority. After all, if users opt-in, you will be able to return to near-normal pre iOS 14 activity - and it will become a real competitive advantage to have high consent rates.

At the moment, very few believe users would opt into giving access to their IDFA with the pop up message AppTrackingTransparency will introduce. Users are understandably wary of sharing more data than necessary - especially if the pop up provides little context on how this data will be used.

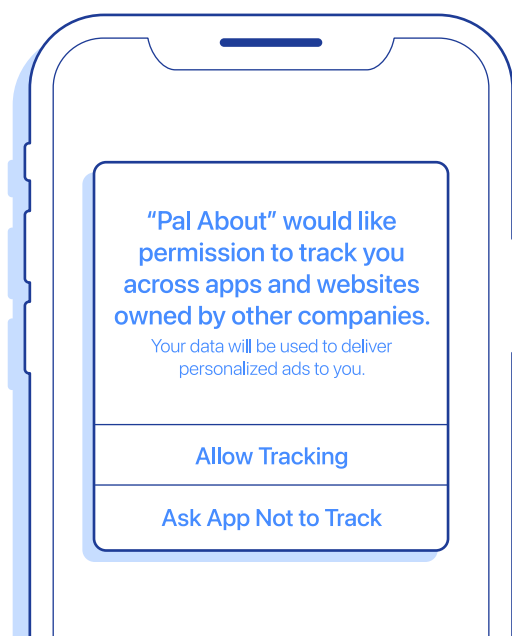
Instead of serving the standard pop up to ask permission, an app could show an explanation of what will happen with the data and why the app needs it. Many news websites today, for example, ask users if they would rather have a paid subscription or use the ad-supported version of their site. The same model is absolutely a realistic and viable option for apps.

Unless a user reinstalls, apps get one chance at the opt-in with the Apple pop-up - so it's important to optimize towards consent. That understandably 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. To get ahead of the curve, you can:

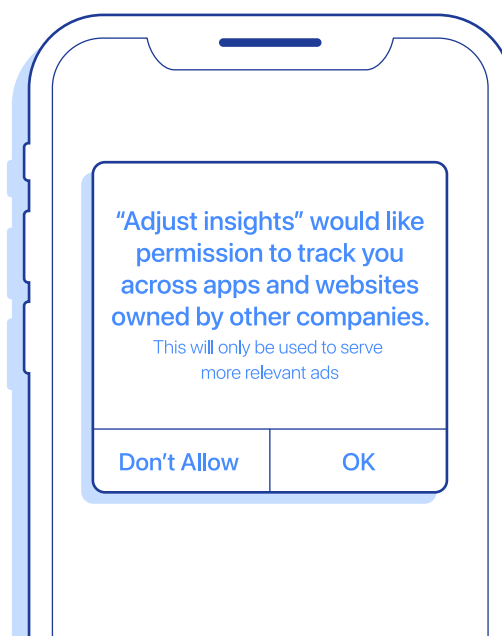
- Start running tests today on user consent mechanic testing for both new and existing users across your apps. Doing this before the official release of iOS 14 - and running several design iterations of the same pop-up - means you'll be in a great position to implement your strongest iteration at launch.

Below, you'll see what Apple's pop-up message will look like:

### WWDC example



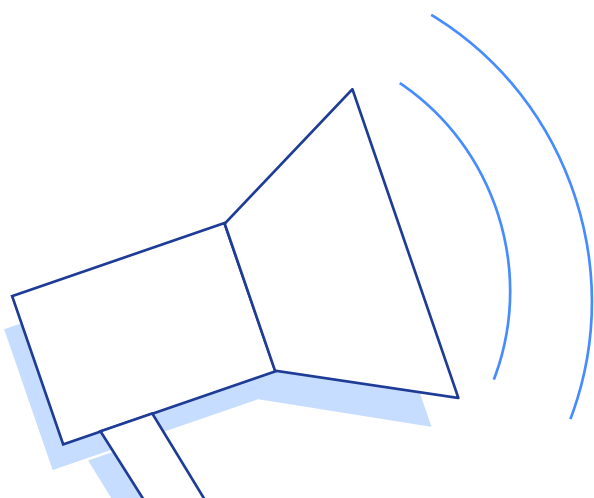
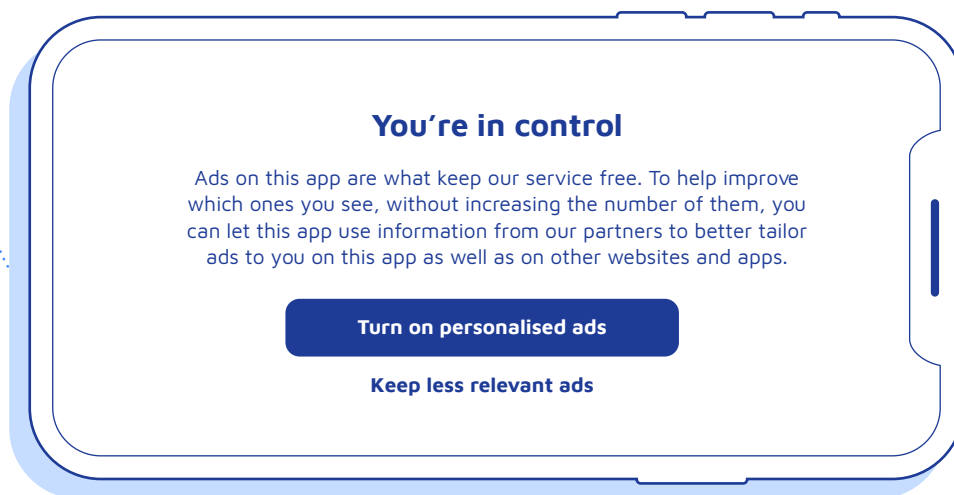
### iOS 14 beta example



As you can see, the subheading is editable - so this is where you can show users exactly how their data will be used and promote the value of targeted ads.

You can also experiment with when exactly to trigger the pop-up, as this doesn't necessarily need to be right from the app start. You could, for example, trigger it after a user has finished a certain activity in-app, is more familiar with the value your app delivers, and has built up brand trust.

- It's also helpful to start researching successful approaches to push notifications and consent forms. The example below is especially good, as it prompts an internal push notification **before** the official consent form.



Instead of using the Apple pop-up straight away, you can gate it behind your internal prompt. That internal prompt is entirely yours, so you can customize, design and word it to best fit your app. Essentially, it works as your own internal consent form.

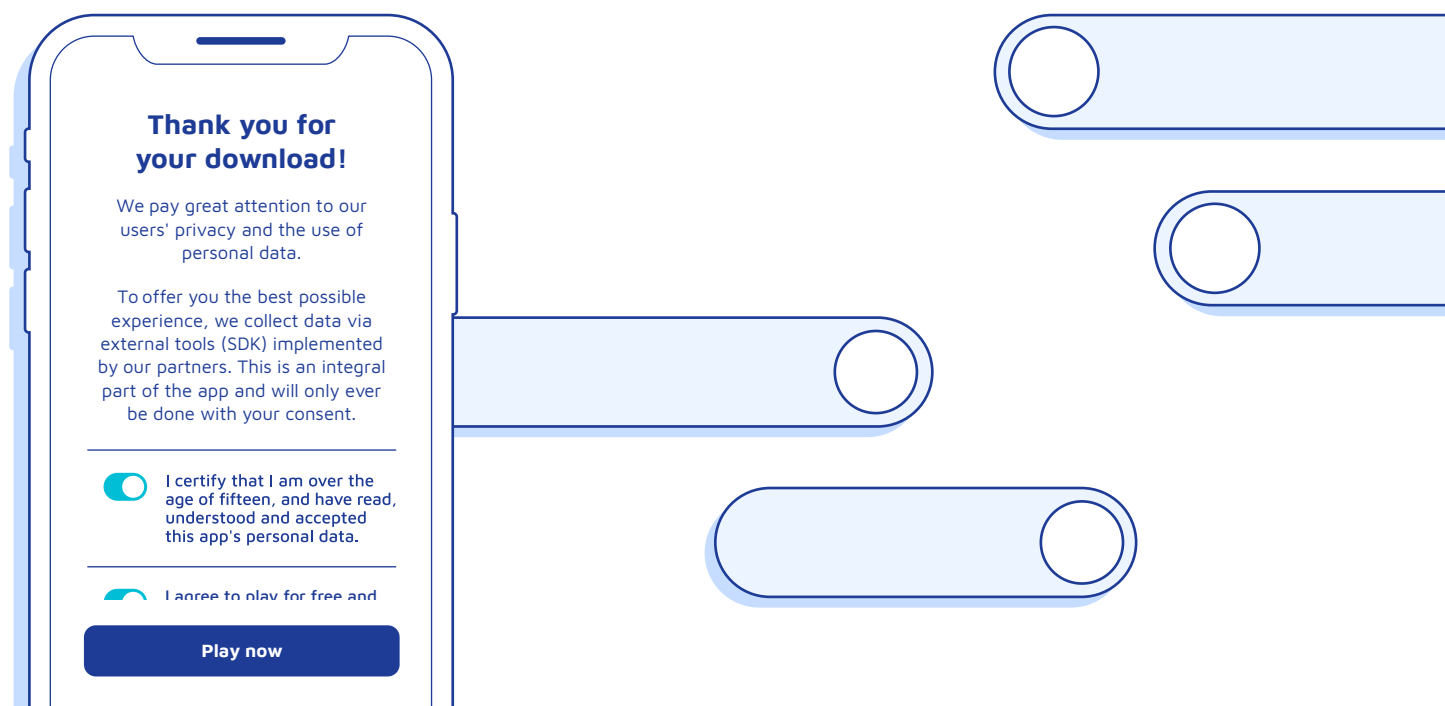
If the user says no, or in this case "Keep less relevant ads", you can either change the in-app experience or allow the user to keep on using the app as is. However, make sure this does not then call the Apple pop-up, as you know that they will not opt in.

You can also serve this internal prompt as often as you want, so you can wait until a user spends more time in the app, finishes a level, performs a certain event or anything similar that shows that they're more engaged to trigger the internal prompt again.

Once the user says yes (or "Turn on personalised ads"), that will be when the app triggers the Apple pop-up. When the user opts in on this pop-up, the IDFA will become available so brands can enrich their BI.

Importantly, similar to push notifications, in the case where a user says "yes" to an app's internal prompt and "no" on the following pop-up, the app can still prompt a user and deeplink them into the settings menu of their device to allow tracking for your app. This can be done either right after a user says "no", or further down the line.

We also like the example below, which clearly lays out why and how an app needs users' consent.



From the moment the user has agreed, both supply and demand side become more valuable:

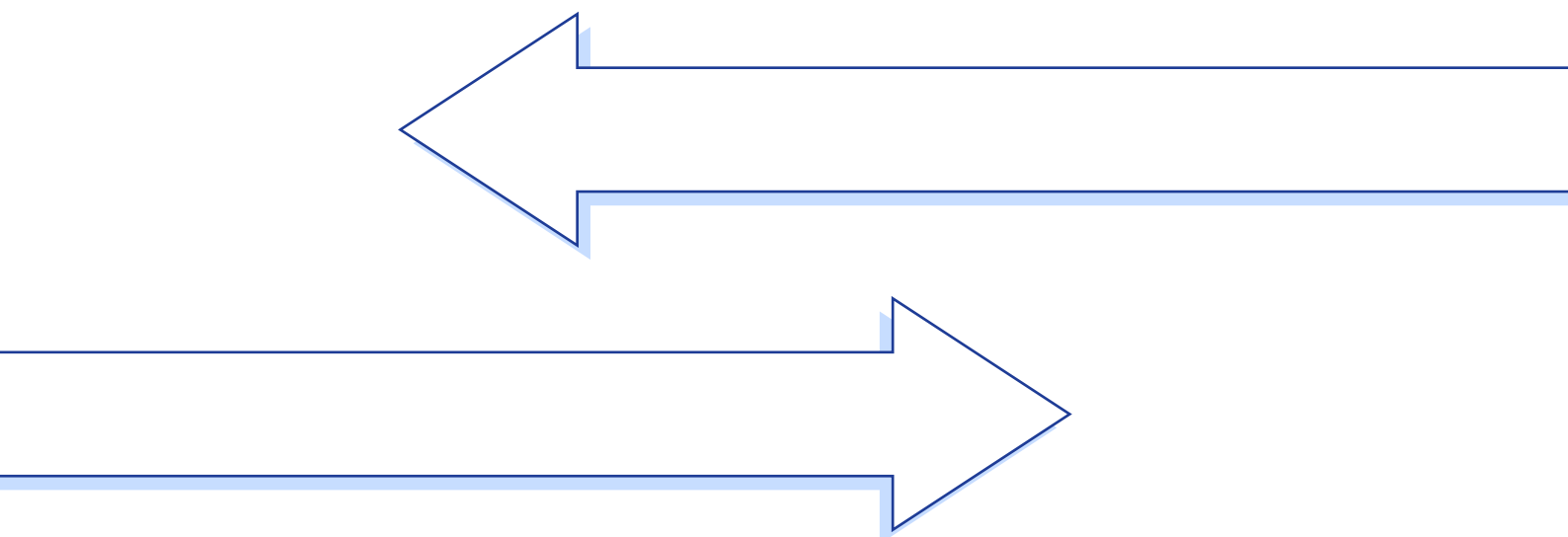
#### Supply side:

- Publishers can serve targeted ads at higher eCPM as their users are more valuable
- Publishers which have a high consent rate will be preferred over publishers that do not
- This will drive the value of eCPMs for these publishers with a high consent rate even higher

#### Demand side:

- Advertisers can use the IDFA to build segments
- Advertisers can run all campaign with lookalike audiences and exclusion targeting
- This will increase retargeting and reengagement for these advertisers and raise their users LTV
- Advertisers can actually perform user-level analysis and performance optimization

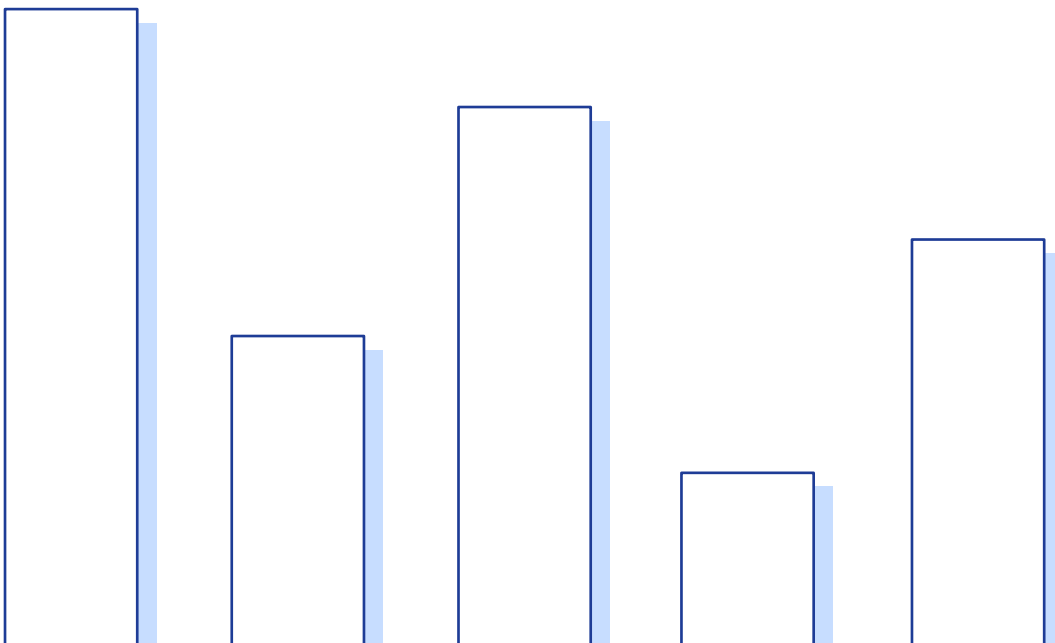
Essentially, both sides need consent to be able to have an edge on their competition.



### 3. Re-evaluating your BI stack

Consent or no consent, the changes to the IDFA will have a big impact on how your BI stack works. Make sure you're well prepared by looking into:

- What different data sets are stitched together for your analytics - and figuring out how you can continue to stitch together this internal data after iOS 14 is released. We recommend focusing on the IDFV, ADID (your MMP unique identifier) and the UserID (your internal ID if it's being used across your entire mobile marketing stack).
- Verify that your S2S events sent to your MMP are not done via the IDFA as a join key. If they are, you will need to change it to a different parameter.
- While apps working without the IDFA will still be able to place contextual ads, they will no longer be able to place personalized ones. Knowing that personalized ads are worth much more, we recommend running several scenario analyses on what may happen if your ad revenue drops by various percentages, and prepare for what should happen as a reaction to these changes.



## 4. User acquisition

When it comes to user acquisition, marketers should take this time to talk with their marketing partners and align on IDFA use in their targeting strategy:

- A good marketing partner should leave you coming away with a solid expectation of how they are preparing for the change, specifically when it comes to lookalike audiences, retargeting, white-and-blacklisting, and seed audiences.
- We've elaborated in [a previous post](#) about how SKAdNetwork severely inhibits an app's targeting or retargeting capabilities. While we believe there is a need for a standard - and are working together with industry players to find a solution - we know that some apps will want to work with the SKAdNetwork for the time being. If you decide to implement this framework in your app, call `registerAppForAdNetworkAttribution()` at the app start, and define conversion postbacks with your partners in a way that makes sense to you both.

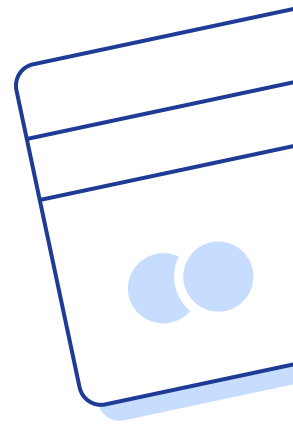
If you choose to rely on SKAdNetwork, this will also affect your attribution and conversion metrics. In this case, partners will need to have registered their network with Apple, receive the post back from Apple, receive a 6-bit code to forward in-app conversion, and then prepare for optimization without cohort data.

- The changes are also going to impact your partner's targeting abilities and the conversion data they receive from your MMP. It will no longer be granular per user - so keep that in mind when talking to partners.
- Use the next few weeks to share data with partners according to your data sharing policy, so they can cross behavioral targeting with contextual targeting.
- If you're using any type of automation tool for optimizing your campaign, make sure you pause this setting for the first few days after the release and make manual optimizations instead - as the change is expected to increase rates.
- As every user is a LAT user by default, therefore, any targeting excluding LAT users or focusing on LAT users is no longer relevant.
- Finally, know that paid retargeting campaigns will not be as effective as before when it comes to targeting the requested audience list. This is now a good opportunity to diversify your re-engagement options - whether through push notifications, emails, SMS etc - as well as focusing on the right mechanisms to collect consent for these options.

## 5. Monetization

If users opt-out of tracking, this will significantly affect your monetization capabilities - meaning no user behavioral targeting based on previous app activity, and no retargeting networks within your waterfall. Depending on your business model, this could have a big impact on your RPM (Revenue Per Mille). To best prepare, we advise you to:

- Have the same conversations you are having with marketing partners as with your mediation tools or monetization network. Again, the key here is to get a sense of how they expect to handle these changes.
- If you are using User Level Ad Revenue or Impression Level Revenue Data, it might not present the entire monetization potential. Make sure to consult with your MMP and your mediation provider about it, but higher opt-in rate will make it more effective.
- If you are tracking subscription revenue and other subscription-related events with a dedicated service, talk to your service provider to make sure the integration with your BI, MMP or product analytics won't be impacted due to the lack of IDFA.
- Make sure to closely watch your ad monetization structure in the first weeks of the release. If you have any automated functions for prioritizing the waterfall we recommend you to turn these off.



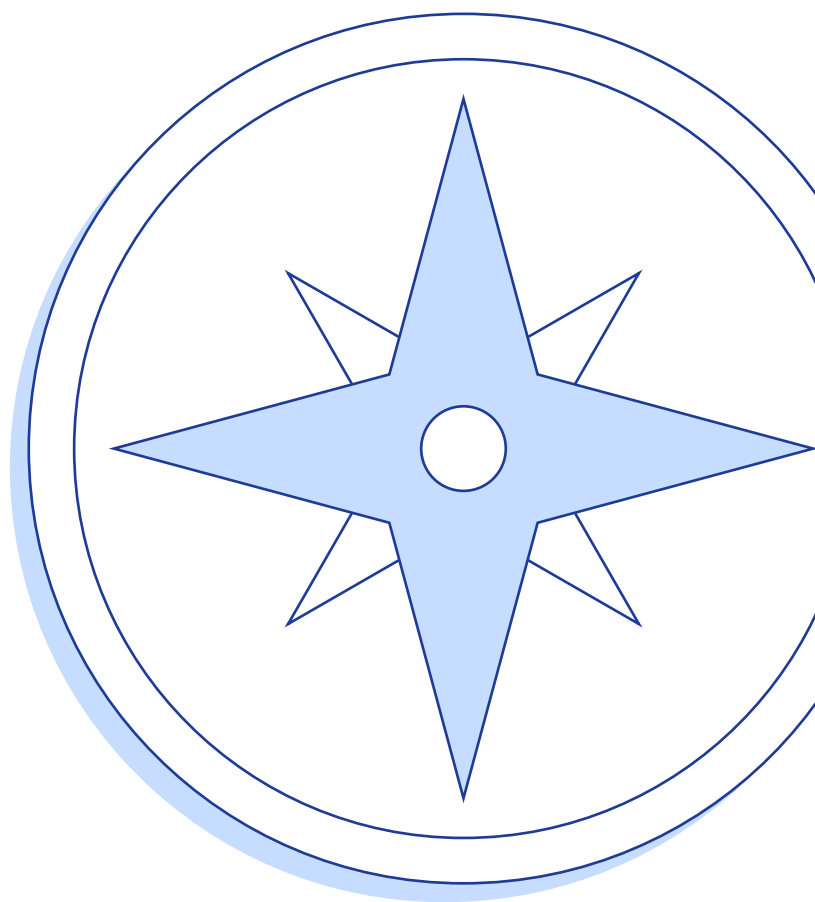
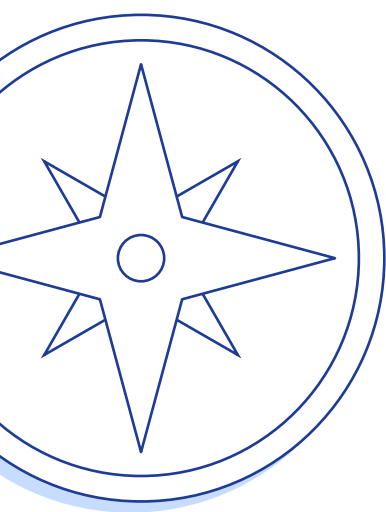


## Navigating change

Adjust will support iOS14 in full, and we are always available to discuss our approach and share our insights with app developers, partners, and players in the industry.

Most importantly, we want to help app developers understand how iOS 14 will affect them and encourage them to share their feedback or concerns - both on timelines and the overall changes - with all parties involved.

We are working closely with our clients to help them understand and react to the changes coming up, and will continue to share more resources on the Adjust blog up to and beyond the launch of iOS 14. Stay tuned for more, and please reach out to [support@adjust.com](mailto:support@adjust.com) if you have any further questions.





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## ABOUT ADJUST

[Adjust](#) is a global B2B SaaS company. Born at the heart of the mobile app economy and grown out of a passion for technology, the company now has 16 offices around the world.


Adjust's platform includes measurement, fraud prevention, cybersecurity and marketing automation products. Together, they make marketing simpler, smarter and more secure for the 40,000 apps working with Adjust. Global leading brands including Procter & Gamble, Rocket Internet and Tencent Games have implemented its solutions to secure their budgets and improve results.

Last year, the company secured one of 2019's largest funding rounds in Europe, raising nearly \$230 million.

Want to learn how we can help you? [Contact us now](#) to find out how we can fit your specific use case.

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