Apple May Call Time on IDFA, So What's Next for In-App Advertising?



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Key insights:

- Ad-tech sources fear Apple will pull the primary means of mobile ad tracking next week.
- Some point to debates within W3C as an indication of how in-app advertising could work post-IDFA.

Ahead of Apple's Worldwide Developer Conference next week, the digital advertising ecosystem is bracing for further policy updates that could significantly impact the $45 billion in-app advertising market.

Some fear Apple will revoke IDFA, the primary means for advertisers to target and track the effectiveness of their ads on iOS devices, in conjunction with the rollout of its data-privacy policies in its Safari web browser.

Apple is notoriously tight-lipped when it comes to

communicating major policy decisions ahead of time, and WWDC is typically the forum where it announces them and reveals products. The ad industry is readying for any announcements that affect it.

During a recent IAB leadership meeting, sources from within the trade body briefed members to expect an announcement from Apple over changes in the mobile app ecosystem next week. The trade body declined to comment when approached by Adweek.

However, sources point to debates within the World Wide Web Consortium, or W3C, a forum where Apple engineers engage in discourse around data privacy, as a potential indication of the iPhone-maker's future online advertising policies.

Apple did not respond to Adweek's request for comment.

However, sources with insight into the organization's thinking suggest any pending update may not be ruinous even though they expect policy changes would inhibit the status quo of in-app advertising. Although Apple is aggressive in how it articulates its views on privacy to the public, it also celebrates the half-trillion-dollar app economy it created—$45 billion of which is derived from advertising.

In W3C working groups, software engineers representing the internet's leading platforms, including Apple and Google, discuss how user data can be used in ways that are both ethical and amenable to business. One source with knowledge of such discussions told Adweek they expect any changes to IDFA to broadly mirror Apple's approach to cookies with its intelligent tracking prevention measures, of ITP, in the Safari web browser and not a complete removal of the targeting method.

IDFA is a persistent identifier that can be accessed by both first parties, such as app developers, and their monetization partners. Some argue that this method of tracking users is much more invasive than a third-party cookie, and withdrawing

it as a way to identify iPhone users would significantly impact in-app mobile advertising.

Sources suggested Apple may introduce updates that would effectively place a time limit on any mobile advertising identifiers (MAIDS) such as IDFA in a manner similar to how it places a daylong lifespan on first-party cookies with ITP in its Safari browser.

“They [Apple] could possibly announce changes to IDFA and iOS where they rotate it on the device,” said one source who requested anonymity. “If they changed the MAID on your iPhone every three days, for example, it’d be pretty easy for them to do with some impact [for advertisers]. … If you look at the W3C open notes, all of the privacy engineers from the browser and OS platforms are clearly focused on reducing the ability for data collection.”

Ad-tech sources indicated that such a change would present challenges but would not be insurmountable.

Victor Wong, CEO of mar-tech outfit Thunder, noted the contrast in Apple’s policies with regard to MAIDs in iOS and third-party cookies in its Safari web browser. Currently, they are inconsistent.

“In the spectrum of possibilities, you have the status quo, and at the other end, you have the complete abolishment of IDFA,” Wong said. “I think the first step toward the other end of the spectrum would be to rotate [MAIDs] and automatically reset them every few days.”

Wong also said that while Apple is chipping away at MAIDs, completely revoking persistent identifiers would negatively affect the consumer experience and that it’s a balancing act between providing privacy assurances without ruining the iOS interface while maintaining the third-party app economy.

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