adikteev

The real results are in: our IDFA opt-in rate report

This app would like to track you.

Allow Tracking

Ask App Not to Track
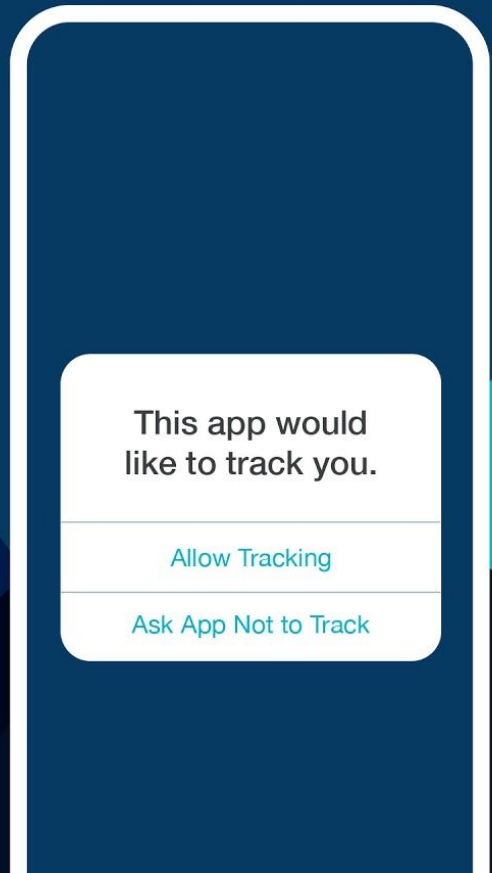
Find out the true opt-in rate post-IDFA measured by our live experiment

Margot Miller

During WWDC in June, Apple shook the ad industry by announcing it would be embedding a new opt-in system for tracking users' IDFAs (Identifier for Advertisers). The new iOS 14 feature will prompt users with a pop-up, asking them if they will allow personal tracking for advertising purposes.
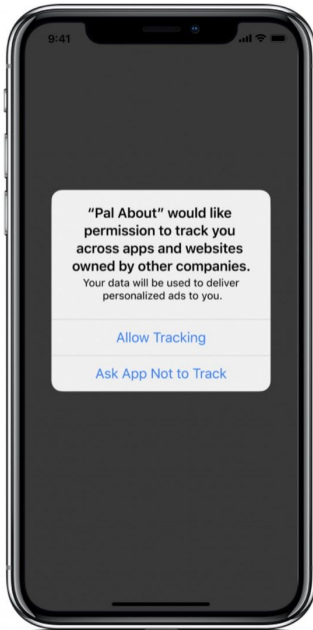
The first version of the pop-up revealed by Apple at the WWDC

Apple had already embedded a Limited Ad Tracking (LAT) option into iOS devices, but it was buried amid the device's settings. Only **around 30% of users** actually took advantage of it, and publishers were able to run personalized marketing campaigns on mobile apps with relative freedom. Now, users are given the choice to opt in or out of ad tracking. Upon opening an app, they can simply say yes or no. As of now, app publishers are able to show the Apple pop-up only once. If the user doesn't opt-in by clicking 'ok,' the publisher can't give them another chance to opt in to ad tracking.

This seemingly small change has turned the **80 billion dollar mobile install industry upside down**. In addition, it's almost certain that Android will jump on the bandwagon as they did earlier this year by announcing that **third-party cookies would be phased out** from Google Chrome by 2022, right on the heels of a similar move by Safari.

Real numbers from Adikteev

Since Apple's announcement, everyone from industry experts to ad tech vendors has tried to guess the opt-in rate: the percentage of users who will say 'ok' to the scary pop-up, and opt in to receive personalized ads. These predictions for the future of IDFA collection have been quite dire. Percentages range anywhere **from a 10% to 20% opt-in rate**. However, this low number hasn't yet been backed by a live experiment, so we wanted to take measures into our own hands.

Our clients have been asking for an update on our strategic recommendations about the changes to iOS. However, we held off on giving a definitive statement until we had something concrete to share based on real, measurable data. To get this data, we teamed up with a gaming company to conduct a study based on one of their titles of how many users would actually opt in to receive personalized ads. The results were quite a surprise.

To arrive at our conclusions, we chose three different scenarios to mimic the ways the Apple ad tracking pop-up can be experienced. App publishers have the option to create a custom pop-up that will appear before the Apple announcement. In theory, this would encourage users to opt in to ad tracking, and ideally give the publisher a head-start on the alarming language of the Apple message.

We split these users into three equal groups.

- One group saw only a mock-up of the Apple pop-up and nothing else.

- One group was shown an interstitial or a mid-page unit (MPU) requesting that they opt-in to ad tracking, and then the Apple pop-up.

- One group was the control group. These users saw no pop-up at all.

We collected results from several thousand random users, with most of them based predominantly in the United States. The study ran from July 22 to August 5.

Scenario 1: Apple pop-up only

The first scenario mirrors what will happen if app publishers choose not to create a pop-up of their own. If they decline to create a custom pop-up to precede the Apple message, users will simply be shown the Apple pop-up asking if they'd like to opt in to ad tracking.
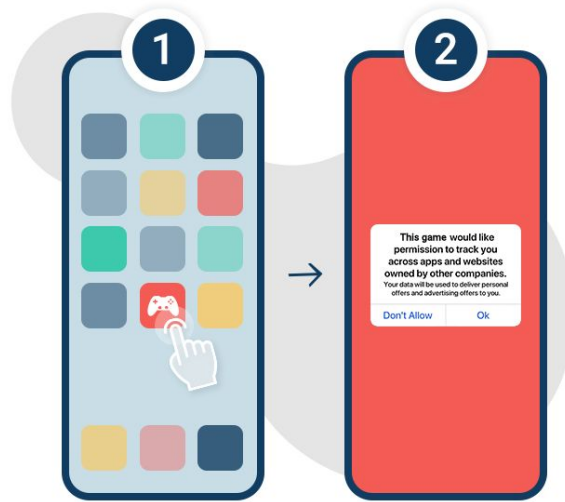
Scenario 1

For our test, the first group of users were shown a mock Apple pop-up right when they opened the app. Users were asked to choose either 'ok' or 'don't allow.' In this case, we found that a whopping **73% of users clicked 'ok' and opted in to ad tracking** without any help from an interstitial or MPU. This means that Adikteev was able to collect 73% of the test users' IDFA, a significantly higher percentage than widely circulated 10% to 20% opt-in rate.

You may notice that the messaging of our simulated Apple pop-up is not exactly the same as the pop-up presented at WWDC 2020. We've been following the evolution of LAT very closely, and ensured our wording matched the most current version of the Apple pop-up found in iOS 14 Beta, which became available in July.

Scenario 2: Custom pop-up + Apple pop-up

Another group of users was shown either an interstitial or an MPU respectively ahead of the Apple pop-up. The custom pop-up requested that users opt in to ad tracking in order to help sustain the company and allow the company to continue to provide free games. They were given the option of choosing 'allow' or 'ask me later.' If the user chose 'ask me later,' they would see the pop-up once every three days when they opened the app until they chose 'allow.'

In mobile advertising, format can have a strong impact on the performance. For this reason, we tested both in-app interstitial and mid page unit (MPU) formats to see the

potential impact. From our experiment, the results from each format were almost identical, meaning this was not a key factor in whether or not a user would opt in.

If the user clicked 'allow tracking' on the interstitial or MPU, they were then directed to the Apple pop-up and asked to click either 'ok' or 'don't allow.' We found that **48% of users** chose 'allow tracking' when shown the interstitial and **42% of users** chose 'allow tracking' when shown the MPU. **80%** of the users that chose 'allow tracking' after viewing the interstitial also clicked 'ok' when shown the Apple pop-up. Similarly, **87%** of users who viewed the MPU clicked 'ok' on the Apple pop-up. This means that the overall number of users that went through the entire process to opt in to ad tracking was **39% for the interstitial and 36% for the MPU**.

This is significantly higher than predicted, but quite a bit lower than the 73% collected from scenario one.
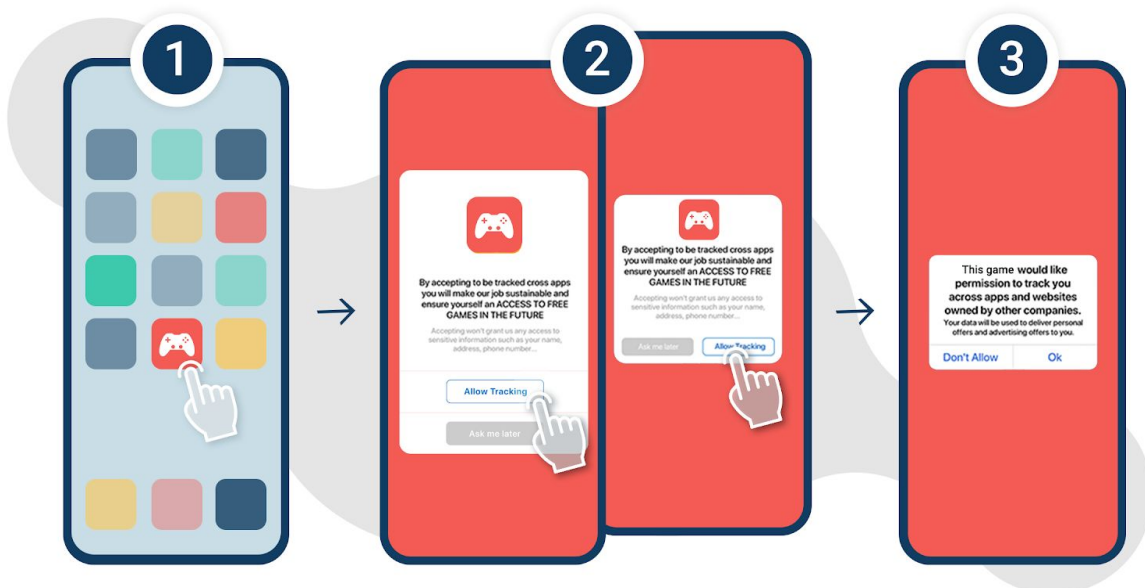

Scenario 2

Measuring user churn with the control group

The purpose of the control group, the final group that did not see any pop-ups, is to estimate the potential increase of the user churn rate due to exposure to pop-ups. The customer journey may be impacted by these pop-ups and we wanted to compare the retention rate with and without them.
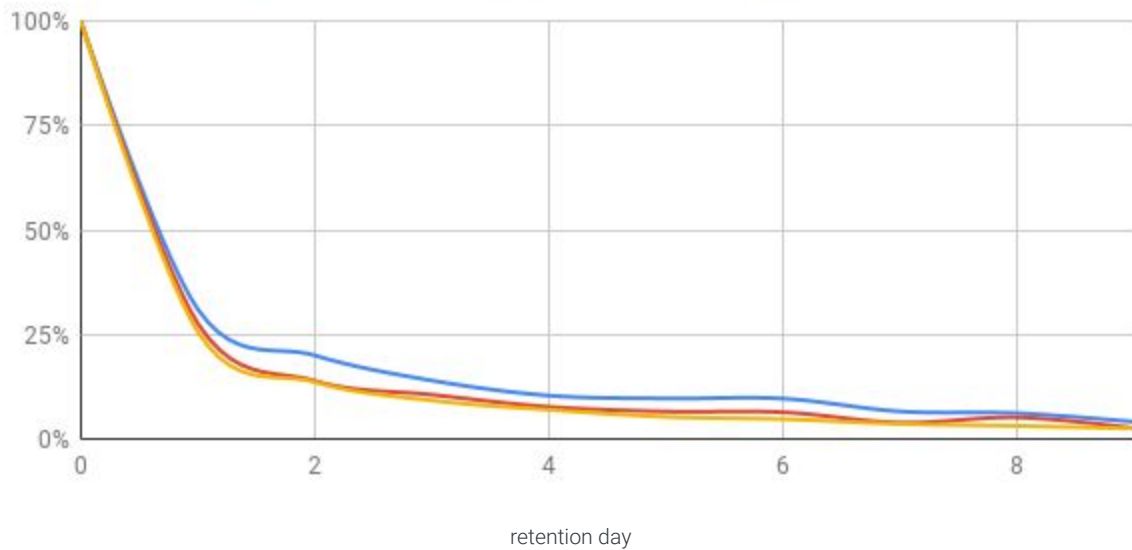
Apple pop-up only

— Opt-in — Opt-out — Control Group

retention day
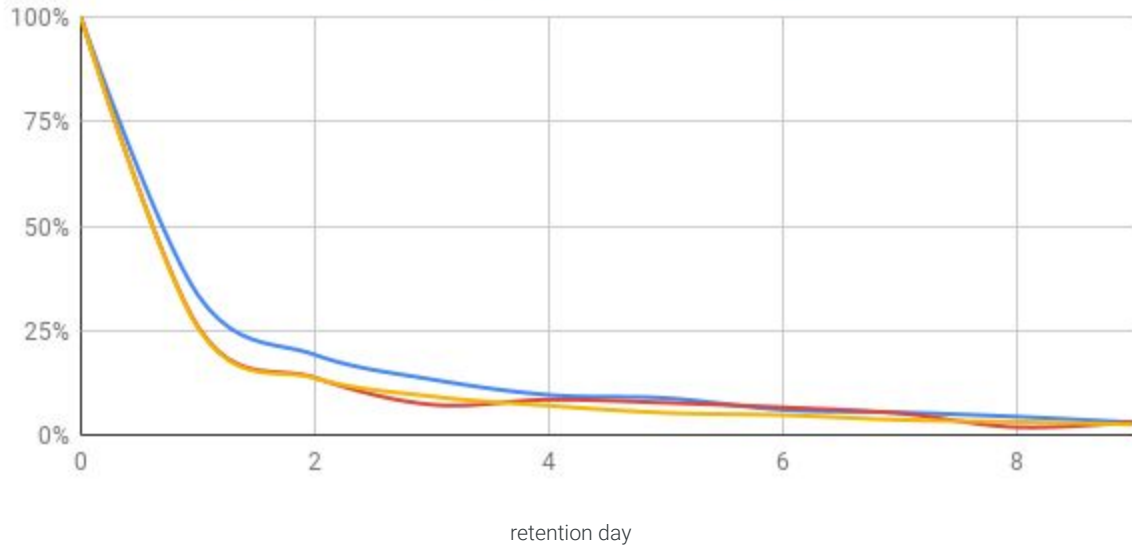
Custom pop-up + Apple pop-up

— Opt-in — Opt-out — Control Group

retention day

The above graphs show that users who opted-out were equally likely to churn compared to the control group. We can deduce that even if users answer 'no,' viewing pop-ups doesn't seem to impact their retention rate.

On the other hand, the graphs clearly show that users who opt in are more engaged in the app and have a better retention rate.

Some caveats

It's important to note that our sample size of users is from a very specific vertical within a vertical. We cannot know for certain what the opt-in rate for an ecommerce app or even a different type of gaming app would be based on this information. Our partner in the study also ran a user acquisition marketing campaign to attract these users for our joint experiment, which means there's a chance they were already interested enough to opt in.

Advertising is the main business model for casual games, which means that these players are often more accustomed to viewing ads than other app users. This could be a reason why the percentages are so much higher than expected. Another reason is that this type of app doesn't really collect all that much personal data. Casual gamers may not really care about sharing their gaming data. On the other hand, someone shopping on an e-commerce app might be more hesitant as the app would be able to collect much more information about their personal life and habits by analyzing what they've bought.

What we can extrapolate from this study is that initial predictions of a 10% to 20% opt-in rate **may not be entirely accurate** across the entire app universe. In fact, the true opt-in rate might be significantly higher than expected depending on the vertical. Our goal with this study was to get a more concrete picture of what we can expect from a post-IDFA world, rather than making business decisions on guesswork.

We're currently running other studies in different verticals to get a more complete picture of re-engagement in a post-IDFA world. We're always happy to partner with publishers interested in participating in a live experiment, and share the creative assets necessary to run it.

To sum up

The results of the study are quite surprising. We weren't expecting such a high opt-in percentage. Even more interesting, the scenario that allowed us to collect the most IDFAs was just the default Apple pop-up, with **73% of users opting in** to have their data collected. Our initial thinking was that starting out by inviting users to opt in to ad tracking with a more positive message would convince them to share their data when faced with the Apple pop-up and provide us with more IDFAs. However, the conclusion turned out to

be a bit more complicated than that. We did get a higher opt-in rate than the first Apple pop-up scenario with 80% of users clicking 'ok,' which means that the custom pop-up kind of worked. But in the end, fewer than 50% of users answered positively to the custom pop-up shown at the beginning, leading to fewer than 40% of IDFAs collected in total. This is a far smaller number than the 73% of IDFAs collected in the first case.

When it comes to retention and the control group, some publishers might consider not enabling any pop-up at all to avoid losing DAU (daily active users) even if it means collecting no IDFAs at all. Based on the retention rate results we measured, pop-up exposure seems to have an impact **close to zero** on retention. For this reason, it's most likely in publishers' best interest to enable the Apple pop-up and collect as many IDFAs as possible. This is particularly true for hyper casual gaming publishers that survive on advertising. According to the RTB landscape Adikteev has access to, a user who consents to have their IDFA collected generates **three times more revenue on average** compared to a user who does not.

Once again, these figures may be completely different for another vertical and even for another hyper casual game. What's important is to make sure publishers use a comprehensive framework like ours for their own experiments to test all the possible scenarios and adjust their strategy according to their own results.

At Adikteev, regardless of what the future holds we're open to this change in the industry. Privacy has always been of the utmost importance, and we look forward to continuing to serve our clients and users with the best app experience possible. We're excited to continue growing and changing, and to continue delivering data-driven strategies.

About Adikteev

Adikteev is the leading app re-engagement platform for performance-driven marketers. We're consistently ranked among the world's top retargeting partners by the Appsflyer Performance Index.

We help the world's top-spending app publishers increase retention, reacquire churned users and drive incremental revenue. App publishers in gaming, ecommerce, on-demand, services and entertainment rely on us to deliver made-to-measure strategies, creatives and algorithms.

By combining science and creativity, we deliver best-in-class playable and interactive ads paired with top retargeting tech. We believe in creating a unique strategy for each client

based on data to provide measurable and transparent results that increase user LTV and fuel business growth.

Learn more at **www.adikteev.com**.

Ready to build a highly-engaged app user base?

Start Your App Audit Now